File No. 214

19 . 1929.

Collection No.

Mysore Residency.

Pros. Serial Nos. 39 —

Subject.

Review of the growth of expenditure since 1924—1925

Previous References.

Later References.

C P P—678S&P—(G 1085)—10-3 30—1,000 M.

S.N. 34.

P.U.C.

Memorandum No. F. 66-A/31, dated the 7th April, ---- 1931, from the Government of India in the Foreign and ---- Political Department.

Receipt

Please see pages 176, 177 and 178 of the Review of the Civil Expenditure of the Government of India in the six years ending with 1929-30, which deal with the Assigned Tract of Bangalore.

The P.U.C. is submitted for information.

T. N. Thangavelu Mudaliar
18-4-1931.

Secretary.

This will be useful in considering the question of interest on surplus.

President.

Does this refer to al. p. 177. 4. & affect our case with M.G. as regards the 15¾ lakhs?

27/4

This does not affect our case with the Mysore Government as regards the 15¾ lakhs. In the Table A the actual amounts paid to the Mysore Government since 1924-25 are given. The statement will be referred to when submitting proposals for retrenchment.

Receipt.

Submitted.

T. N. Thangavelu Mudaliar
25-4-1931.

Secretary.

For information.

President. 27/4

RCS 29/4

From - The Assistant Secretary to the Government of India
in the Foreign and Political Department,

To - The Hon'ble the Chief Commissioner and Agent to the Governor General, North West Frontier Province.
The Hon'ble the Agent to the Governor General and Chief Commissioner in Baluchistan.
The Hon'ble the Chief Commissioner of Ajmer-Merwara.
The Hon'ble the Resident in Mysore.

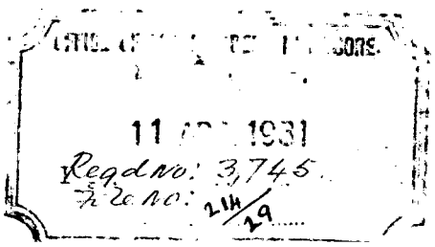
Memorandum No.F.66-A/31.

Dated New Delhi, the 7th April 1931.

Review of the growth of expenditure since 1924-25.

A copy of the report on the Review of the growth of expenditure since 1924-25 is enclosed herewith for information

Assistant Secretary to the Government of India.



PART I.

GENERAL REVIEW.

The task entrusted to me was that of reviewing the expenditure, incurred by the Government of India from revenue, in civil departments other than the Railway and Posts and Telegraph Departments, during the six years ending with 1929-30. I submitted in July last a preliminary report based upon figures which were largely provisional. My special duty has since been interrupted by my appointment to officiate in certain responsible posts in the Finance Department, but I have at last been able to complete my task and now submit my final report. I desire to make it quite plain at the outset that the report is a review only, designed to bring out the main factors which have influenced the course of expenditure during the selected period of six years. It makes no suggestion for economy or for retrenchment, though it should provide ample material for an investigation directed towards :se ends.

2. In explaining the general plain of his report, I must begin by stating that the figures on which I have worked are the actual figures booked in the accounts of the five years 1924-25 to 1928-29 and the budget figures of 1929-30. It is only within the last few days that the actuals of the year which ended on the 31st March 1930 have become available, and it was therefore impossible to take them into consideration. Part II of this volume contains the detailed figures of expenditure under each principal head of account. The unit adopted is ordinarily the major head; but the head General Administration has, in view of its importance, been split up into less cumbrous units. The expenditure under each selected unit in each of the six years has been set forth in detail against the more important sub-heads of account; the receipts credited to the corresponding revenue head have, wherever this is possible, been exhibited for purposes of comparison; and the progress of expenditure has been examined and analysed in a separate memorandum for each unit. Part III of the volume sets forth and analyses the revenue and expenditure of the six minor administrations which function upon lines approximately similar to those followed by a local Government proper; Bangalore being included in this category in view of the fact that it is required to present a balanced budget. The expenditure in Rajputana, Central India, Hyderabad and the Western India States Agency, although provision is made for it in separate demands for grants, stands on another footing. It differs very little from the outlay of other large political agencies containing small enclaves of British Indian territory, and has accordingly been included with the general expenditure of the central Government. In the present Part of this review, I propose to bring together the general results of the investigation whose details are set out in Parts II and III; and to draw from them such inferences and conclusions as appear to be justifiable. In doing so, I shall compare the actuals of 1924-25 with the budget estimates of 1929-30. For figures of intervening years, reference should be made to Part II of this volume.

3. As a preliminary to the examination of the figures of expenditure, I have prepared the following table, which sets forth the complete outlay of the first and last years of the period under each of the heads analysed in Part II, distributed over the more important sub-heads of account. The figures in this table, and throughout this Part of the review, represent thousands of rupees.

TABLE A.

	Customs.			Taxes on Income.			Salt.			Opium.		
	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).
Pay of Officers	6,49	7,71	+1,22	18,52	28,87	+10,35	5,71	6,03	+32	5,56	2,77	−2,79
Sterling Leave Salary, Overseas Pay, Deputation Pay, etc.	1,92	1,74	−18	1,06	1,06	...	74	1,01	+27	53	51	−2
Pay of Establishment	42,37	49,34	+6,97	18,90	29,04	+10,14	32,02	35,73	+3,71	5,67	3,21	−2,46
Establishment and other Charges paid to other Governments, etc.	3,44	1,68	−1,76	11,15	34	−10,81	4,58	4,13	−45	6	17	+11
Deduct—Establishment and other Charges recovered from other Governments, etc.	−67	−54	+13	...	−18	−18	−4,39	−4,08	+31	...	...	...
Allowances, Honoraria, etc.	12,37	13,34	+97	4,85	6,39	+1,54	4,51	4,16	−35	1,18	66	−52
Pensions, etc.	...	...	...	...	...	...	...	78	+78	...	...	...
Deduct—Recoveries from other Governments, etc	...	...	...	...	...	...	...	...	...	...	...	...
Grants-in-Aid, Subsidies, etc.	77	3,49	+2,72	...	...	...	...	...	...	...	...	...
Refugees and State Prisoners	...	...	..	...	...	...	...	...	...	...	...	...
Entertainment Charges	...	...	...	...	...	...	...	...	...		...	...
nts and Compensations	6,04	17,63	+11,59	...	...	...	36,37	40,39	+4,02	54	55	+1
	....	...	...	...	3	+3	8,46	7,01	−1,45	1,20	36	−84
rchase of Stores	1	11	+10	...	...	...	14	2	−12	4	2	−2
rchase of Stock	...	...	...	...	...	...	25,97	23,06	−2,91	2,14,82	58,97	−1,55,85
Other Supplies and Services and Contingencies.	4,38	6,30	+1,92	5,89	8,06	+2,17	7,69	11,30	+3,61	5,97	3,79	−2,18
Loss on Coinage	...	...	...	...	...	...	...	...	...	...	...	...
Remittance of Treasure	...	...	...	...	...	...	...	...	...	...	...	...
Service of Debt	..	...	...	...	...	...	3,01	4,74	+1,73	...	...	...
Contributions to Depreciation, etc., Funds.	...	...	...	...	...	...	2,60	2,99	+39	...	...	...
Miscellaneous	...	...	...	...	...	...	...	...	...	...	...	...
Deduct—Probable Savings	...	−98	−98	...	−1,23	−1,23	...	−3,29	−3,29	..	...	...
Total	77,12	99,82	+22,70	60,37	72,38	+12,01	1,27,41	1,33,98	+6,57	2,35,57	71,01	−1,64,56

TABLE

	Land Revenue.			Excise.			Stamps.			Forests.		
	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).
Pay of Officers	30	41	+11	49	43	−6	...	..	.	5,73	5,63	−10
Sterling Leave Salary, Overseas Pay, Deputation Pay, etc.	5	9	+4	2	5	+3	...	...	...	2,85	1,71	−1,14
Pay of Establishment	7,13	7,52	+39	84	1,63	+79	64	25	−39	3,15	4,27	+1,12
Establishment and other Charges paid to other Governments, etc.	1,40	...	−140	8	8	...	...	...	...	...	...	...
Deduct—Establishment and other Charges recovered from other Governments, etc.	....	−11	·11	..	−8	−8	−8,60	....	+8,60	...	...	...
Allowances, Honoraria, etc.	1,14	1,47	+33	31	61	+30	1	...	−1	1,41	1,55	+14
Pensions, etc.	...	...	...	...	...	...	...	...	...	...	...	...
Deduct—Recoveries from other Governments, etc.	...	...	...	...	...	...	...	...	...	...	...	...
Grants-in-Aid, Subsidies, etc.	...	...	...	...	...	...	...	...	...	...	...	...
Refugees and State Prisoners	...	...	...	...	...	...	...	...	...	...	...	...
Entertainment Charges	...	...	...	...	...	...	...	...	...	...	...	
Assignments and Compensations	64	1,27	+63	32	7,97	+7,65	...	...	...	...	...	
Works	...	15	+15	...	1	+1	...	...	...	17,21	25,58	+8,[illegible]
Purchase of Stores	...	...	...	...	...	...	...	...	...	14	77	+63
Purchase of Stock	...	...	...	...	...	...	6,02	...	−6,02	...	...	...
Other Supplies and Services and Contingencies.	55	75	+20	22	5,78	+5,56	74	62	−12	67	1,21	+54
Loss on Coinage	...	...	...	...	...	...	...	...	...	...	...	...
Remittance of Treasure	...	...	...	...	...	...	...	...	...	...	...	...
Service of Debt	...	...	...	...	...	...	...	...	...	...	19	+19
Contributions to Depreciation, etc., Funds.	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous	...	...	...	...	...	...	..	...	...	...	...	...
Deduct—Probable Savings		...	...	...	...	...	...	...	...	...	...	...
Total	11,21	11,55	+34	2,28	16,48	+14,20	−1,19	87	+2,06	31,16	40,91	+9,75

A—contd.

Registration.			Irrigation.			Debt Services.			General Administration. The Governor General and Executive Council.			General Administration. Legislative Bodies.		
1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease, (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease.—).
...	...	...	1,15	2,94	+1,79	...	..	...	8,62	8,68	+6	93	1,86	+88
...	...	...	74	69	—5	...	...	...	...	...	..	...	...	...
16	18	+2	2,80	3,83	+1,03	...	...	...	1,40	1,49	+9	3	2,14	+2,11
...	...	...	51	29	—22	...	...	...	...	...	...	...	...	...
...	...	...	- 66	-1,36	—70	...	...	...	...	...	...	...	...	...
12	11	—1	87	1,96	+ 1,09	...	...	...	7,14	8,04	+90	5,98	5,17	—81
...	...	...	1,18	1,09	-4	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	...	...	..	...	...	...	...	...	...	...	...	...	...	
	...	...	..	...	...	...	...	...	...	...	...	...	...	
	...	...	9,77	11,38	+1,61	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	..	...	...	...		...	...	...	...
1	1	...	1,23	1,08	—15	...	...	...	1,98	1,93	—5	24	68	+44
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	..	...	...	...
...	...	...	11,98	12,28	+30	18,68,23	15,59,88	—3,08,35	...	...	...		...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	—2,28	—2,28	...	...	...	...	...	...	...	...	...
29	30	+1	29,52	31,90	+2,38	18,68,23	15,59,88	—3,08,35	19,14	20,14	+1,00	7,23	9,85	+2,62

TABLE

	General Administration,			General Administration.			General Administration.			General Administration.		
	Public Service Commission and Staff Selection Board.			Charges in Minor Administrations.			Government of India Secretariat.			Payments to Provincial Governments.		
	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).
Pay of Officers	...	2,57	+2,57	6,97	7,93	+96	23,91	25,99	+2,08	...	...	...
Sterling Leave Salary, Overseas Pay, Deputation Pay, etc.	...	...	...	...	...	...	...	...	...	...	...	...
Pay of Establishment	...	53	+53	8,78	10,15	+1,37	23,28	28,64	+5,36	...	...	...
Establishment and other Charges paid to other Governments, etc.	...	...	...	90	...	—90	...	...	...	1,48	2,09	+61
Deduct—Establishment and other Charges recovered from other Governments, etc.	...	...	...	...	...	...	...	—14	—14	...	...	...
Allowances, Honoraria, etc.	..	41	+41	2,54	3,51	+97	6,06	7,12	+1,06	...	...	...
Pensions, etc.	...	...	...	...	...	...	...	...	...	...	...	...
Deduct—Recoveries from other Governments, etc.	...	...	...	...	...	...	...	...	...	...	...	...
Grants-in-Aid, Subsidies, etc.	...	...	..	...	...	...	...	...	...	...	...	...
Refugees and State Prisoners	...	...	...	..	...	...	...	...	...	...	...	...
Entertainment Charges	...	...	...	...	...	...	...	...	...	...	...	...
Assignments and Compensations	...	...	...	...	...	...	...	..	...	...	...	
Works	...	...	...	70	65	—5	...	...	...	...	...	
Purchase of Stores	...	...	...	...	...	...	...	...	...	...	...	
Purchase of Stock	...	...	...	...	.	...	...	...	...	...	...	
Other Supplies and Services and Contingencies	*11	20	+9	3,92	3,86	—6	8,55	9,18	+63	...	...	
Loss on Coinage	...	..	...	...	...	...	...	...	...	...	...	
Remittance of Treasure	...	...	...	...	...	...	...	...	...		...	
Service of Debt	...	...	...	...	...	...	...	...	...	...	...	
Contributions to Depreciation, etc., Funds.	...	...	...	...	...	...	...	...	...	...	...	
Miscellaneous	...	...	...	...	...	...	...	...	...	...	...	
Deduct—Probable Savings	...	...	...	...	...	...	...	—20	—20	...	...	
Total	11	3,71	+3,60	23,81	26,10	+2,29	61,80	70,59	+8,79	1,48	2,09	+61

* Includes pay of establishment and allowances.

A—*contd.*

General Administration. Establishment of the Secretary of State and High Commissioner.			General Administration. Other Expenditure in England.			Accounts and Audit.			Administration of Justice.			Jails and Convict Settlements.		
1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).
51,55*	60,94*	+9,39	...		...	20,54	27,04	+6,50	4,23	5,00	+77	2,16	2,47	+31
...	...	...	8,35	6,56	—1,79	1,95	2,17	+22	49	74	+25	45	39	—6
...	...	...	...	...	...	55,13	83,50	+28,37	3,49	4,61	+1,12	6,25	7,78	+1,53
...	...	...	...	...	...	89	3	-86	55	95	+40	74	36	—38
—27,68	—28,37	—69	...	...	...	—10,08	—12,26	—2,18	...	...	...	...	—14	—14
..	...	...	...	...	...	6,49	8,73	+2,24	1,44	1,29	—15	44	1,03	+59
...	...	...	..	...	...	...	...	...	...	...	..	...	..	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	..	...	...	...	...	...	...	...	...	..	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	29,33	+29,33	...	...	...	...	9	+9	...	...	28	4,30	...	+4,02
...	...	...	2	3	+1	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
5,99	6,25	+26	...	...	...	4,55	6,45	+1,90	1,36	2,31	—95	26,10	28,41	+2,31
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	32	80	+48	...	...	...	...	...	...	3	1	—2
...	...	...	...	...	...	...	—1,94	—1,94	...	...	...	...	—3,00	—3,00
29,86	68,15	+38,29	8,69	7,39	—1,30	79,47	1,13,81	+34,34	11,56	14,90	+3,34	36,45	41,61	+5,16

* Includes pay of establishment and allowances.

TABLE

	Police.			Ports and Pilotage.			Ecclesiastical.			Political and Frontier Watch and Ward (excluding Works).		
	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)
Pay of Officers	5,29	5,30	+ 1	12,45	15,31	+ 2,86	18,21	12,10	-6,11	52,51	50,04	—2,47
Sterling Leave Salary, Overseas Pay, Deputation Pay, etc.	1,74	1,89	+ 15	1,13	2,53	+ 1,40	6,17	8,73	+ 2,56	8,35	10,54	+ 2,19
Pay of Establishment	47,05	49,43	+ 2,38	2,59	4,25	+ 1,66	2,18	1,56	—62	90, 9	97,70	+ 7,51
Establishment and other Charges paid to other Governments, etc.	4,11	3,20	—91	...	1,08	+ 1,08	...	...	...	66,89	64,65	— 2,24
Deduct—Establishment and other Charges recovered from other Governments, etc.	—4,53	—89	+ 3,64	—76	—58	+ 18	...	...	...	—14,77	—3,65	+ 11,12
Allowances, Honoraria, etc	8,74	10,23	+ 1,49	1,28	3,12	+ 1,84	2,98	3,85	+ 87	26,83	28,25	+ 1,42
Pensions, etc.	...	...	...	...	27	+ 27	...	...	...	...	...	...
Deduct—Recoveries from other Governments, etc.	...	...	...	...	...	...	...	...	...	...	...	...
Grants-in-Aid, Subsidies, etc.	...	...	...	23	12	— 11	...	3,68	+ 3,68	22,63	22,85	+ 22
Refugees and State Prisoners	...	...	...	...	...	...	...	...	...	4,16	3,30	— 86
Entertainment Charges	...	...	...	...	...	...	...	...	...	4,88	4,69	— 19
Assignments and Compensations	...	...	...	...	...	...	...	...	...	62	12	— 50
Works	10	18	+ 8	...	...	...	...	73	+ 73	1,25	4,30	+ 3,05
Purchase of Stores	...	...	...	43	2	—41	...	...	...	39	13	- 26
Purchase of Stock	...	...	...	...	...	...	...	...	...	...	...	...
Other Supplies and Services and Contingencies.	8,10	8,27	+ 17	7,46	7,80	+ 34	1,76	1,91	+ 15	47,45	52,80	+ 5,3
Loss on Coinage	...	...	...	...	...	...	...	...	...	...	...	...
Remittance of Treasure	...	...	...	...	...	...	...	...	...	...	...	...
Service of Debt	...	...	...	...	...	...	...	...	...	...	...	...
Contributions to Depreciation, etc., Funds.	...	..	...	...	3,64	+ 3,64	...	...	...	...	...	...
Miscellaneous	...	3	+ 3	...	...	...	...	...	...	24,83	23,94	— 89
Deduct—Probable Savings	...	—1,05	—1,05	...	—57	—57	...	...	...	...	—80	- 80
Total	70,60	76,59	+ 5,99	24,81	26,99	+ 12,18	31,30	32,56	+ 1,26	3,36,21	3,58,36	+ 22,65

A—*contd.*

Scientific Departments, Survey of India.			Scientific Departments, Zoological Survey.			Scientific Departments, Botanical Survey.			Scientific Departments, Geological Survey.			Scientific Departments, Archæological Department.		
1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−)
14,97	14,13	−84	43	72	+29	30	33	+3	3,08	3,66	+58	2,23	2,94	+71
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
21,94	25,42	+3,48	39	61	+22	28	37	+9	53	85	+32	1,64	2,43	+79
...	...	...	...	...	...	74	87	+13	...	...	...	...	...	...
−22,27	−22,22	+5	...	...	...	...	...	...	...	−55	−55	...	...	...
5,98	7,39	+1,41	9	25	+16	11	17	+6	54	1,33	+79	80	1,19	+39
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	2	2	...	...	...	...	...	...	...
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...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	18	−29	...	...	...	...		...	...	...	...	6,79	7,13	+34
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	..	1,42	...	−1,42	...	...	...	...	...	...
10,74	12,25	+1,51	55	53	−2	98	1,34	+36	43	1,03	+60	2,27	3,53	+1,26
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
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...	...	...	...	...	...	...	...	...	...	...	...	...	..	...
...	−3,72	−3,72	...	...	...	...	...	...	...	−3	−3	...	...	...
31,83	33,43	+1,60	1,46	2,11	+65	3,85	3,10	−75	4,58	6,29	+1,71	13,73	17,22	+3,49

TABLE

	Scientific Departments, Meteorological Department.			Scientific Departments, Mines Department.			Scientific Departments, Other Charges in India.			Scientific Departments, Charges in England.		
	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).
Pay of Officers	1,02	2,07	+1,05	1,22	1,33	+11	...	...	...	...	...	...
Sterling Leave Salary, Overseas Pay, Deputation Pay, etc.	...	...	...	...	...	...	...	...	...	5,73	6,91	+1,18
Pay of Establishment	2,42	3,56	+1,14	46	55	+9	11	16	+5	...	...	...
Establishment and other Charges paid to other Governments, etc.	...	...	...	...	...	...	...	...	...	...	...	...
Deduct—Establishment and other Charges recovered from other Governments, etc.	...	—3	—3	...	...	...	...	...	...	...	...	
Allowances, Honoraria, etc	78	1,35	+57	36	40	+4	...	...	...	...	...	
Pensions, etc.	...	...	...	...	...	...	...	...	...	...	...	
Deduct—Recoveries from other Governments, etc.	...	...	...	...	...	..	...	...	...	...	...	
Grants-in-Aid, Subsidies, etc.	...	...	...	...	...	...	3,42	5,01	+1,59	...	...	
Refugees and State Prisoners	...	...	...	...	...	...	...	...	...	...	...	
Entertainment Charges	...	...	...	...	...	...	...	...	...	...	...	...
Assignments and Compensations	...	...	...	...	...	...	...	...	...	...	...	...
Works	...	43	+43	...	...	...	...	...	...	...	...	...
Purchase of Stores	...	...	...	...	...	...	...	...	...	2,35	6,32	+3,97
Purchase of Stock	...	...	...	...	...	...	...	...	...	...	...	
Other Supplies and Services and Contingencies.	2,46	4,48	+2,02	13	15	+2	18	19	+1	...	...	
Loss on Coinage	...	...	...	...	...	...	...	...	...	...	...	
Remittance of Treasure	...	...	...	...	...	...	...	...	...	...	...	
Service of Debt	...	...	...	...	...	...	...	...	...	...	...	...
Contributions to Depreciation, etc., Funds.	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous	...	...	...	...	..	...	...	...	...	...	...	...
Deduct—Probable Savings	...	—50	—50	...	...	...	...	...	...	...	...	...
Total	6,68	11,36	+4,68	2,17	2,43	+26	3,71	5,36	+1,65	8,09	13,23	+5,14

A—*contd.*

Education.			Medical.			Public Health.			Agriculture (including Co-operative Credit).			Civil Veterinary Services.		
1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).
1,74	2,47	+73	7,46	6,56	−90	1,72	2,37	+65	3,25	4.44	+1,19	1,17	1,25	+8
74	72	−2	70	1,47	+77	63	73	+10	1,34	1,05	−29	...	...	...
4,94	7,49	+2,55	4,23	5,59	+1,36	63	1,54	+91	3,32	5,06	+1,74	1,52	2,08	+56
...	6	+6	95	1,28	+33	2,32	2,15	−17	6,56	...	−6,56	26	1	−25
−10	...	+10	−1,10	−92	+18	...	−43	−43	−32	−72	−40	...	...	...
58	1,26	+68	1,12	2,38	+1,26	19	60	+41	85	1,12	+27	27	42	+15
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
22,39	39,49	+17,10	7,23	9,32	+2,09	10,45	12,34	+1,89	41	17,40	+16,99	...	5	+5
...	...	..	...	...	..	...	...	...	...	...	...	..	...	...
...	...	..	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
30	8	−22	16	73	+57	23	10	−13	...	...	...	...	...	...
...	...	...	77	59	−18	...	1	+1	...	4	+4	...	...	...
	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1,11	1,87	+76	4,36	4,44	+8	1,17	2,21	+1,04	6,55	11,76	+5,21	5,21	5,50	+29
...	...	..	...	...	...	...	...	...	...	...	...	..	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
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...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	..
...	−40	−40	...	...	...	...	...	...	...	−80	−80	...	...	...
31,70	53,04	+21,34	25,88	31,44	5,56	17,34	21,96	+4,28	21,29	39,35	+17,39	8,43	9,31	+88

TABLE

	Industries.			Aviation.			Indian Stores Department.			Miscellaneous Departments, Emigration-External.		
	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—).
Pay of Officers	...	77	+77	...	51	+51	4,42	8,41	+3,99	51	1,25	+74
Sterling Leave Salary, Overseas Pay, Deputation Pay, etc.	38	45	+7	4	59	+55	25	63	+38	...	...	...
Pay of Establishment	...	60	+60	4	47	+43	3,04	7,72	+4,68	24	48	+24
Establishment and other Charges paid to other Governments, etc.	...	...	...	...	...	...	...	...	...	...	...	...
Deduct—Establishment and other Charges recovered from other Governments, etc.	...	...	...	...	...	...	...	...	...	...	—3	—3
Allowances, Honoraria, etc.	...	32	+32	6	25	+19	1,11	2,40	+1,29	24	52	+28
Pensions, etc.	...	...	...	...	...	...	...	...	...	...	...	...
Deduct—Recoveries from other Governments, etc.	...		...	...	...	...	...	...	...	...	...	...
Grants-in-Aid, Subsidies, etc.	60,91	4	—60,87	...	5,08	+5,08	...	...	...		...	...
Refugees and State Prisoners	...	...	...	...	...	...	...	...	...	...	...	...
Entertainment Charges	...	...	...	...	...	...	...	...	...	...	...	...
Assignments and Compensations		...	...	...	...	...	...	...	...	...	...	...
Works	...	...	...	3	17,04	+17,01	16	65	+49	...	...	
Purchase of Stores	..	...	...	...	2	+2	...	...	...	...	...	
Purchase of Stock	...	...	...	...	...	...	...	...	...	...	...	
Other Supplies and Services and Contingencies.	...	76	+76	5	37	+32	1,66	2,72	+1,06	19	41	+2
Loss on Coinage	...	...	...	...	...	...	...		...	...	...	...
Remittance of Treasure	...	...	...	...	...	...	...	...	...	...	..	...
Service of Debt	...	...	...	...	...	...	...	..	...	...	...	...
Contributions to Depreciation, etc., Funds.	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous	...	...	...	...	...	...	...	...	...	...	..	...
Deduct—Probable Savings	...	...	...	...	...	...	...	—95	—95	...	...	...
Total	61,29	2,94	—58,35	22	24,33	+24	10,64	21,58	+10,94	1,18	2,63	+1,45

A—*contd.*

Miscellaneous Departments, Emigration-Internal.			Miscellaneous Departments, Joint Stock Companies.			Miscellaneous Departments, Commercial Intelligence.			Miscellaneous Departments, Other Miscellaneous Departments.			Miscellaneous Departments, Expenditure in England.		
1924-25, Actuals.	1929-30, Budget.	Increase (-) Decrease (+)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)
7	13	+6	40	43	+3	57	69	+12	1,12	1,27	+15	32	...	—32
...	...	...	...	..	...	...	...	...	...	.	...	71	56	—15
32	19	—13	38	42	+4	1,20	1,70	+50	76	1,18	+42	...	...	...
...	7	+7	41	31	—10	99	40	—59	...	4	+4	...	...	...
—5	...	+5	...	...	...	...	...	...	...	—23	—23	...	...	...
9	3	—6	4	5	+1	7	15	+8	50	74	+24	...	...	...
...	...	...	...	...	...	...	...	...	...	..	...	...	...	...
..	...	...	...	...	...	...	...	...	...	...	..	...	...	...
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...	...	...	...	...	...	...	..	...	..	...	...	—	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	..	...
...	...	...	...	...	...	...	...	...	...	...	...	15	2	—13
	...	...	...	...	...	...	..	...	...	...	...	...	...	...
9	7	—2	13	17	+4	21	74	+53	38	63	+25	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	..	.	.	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	—	...	...	...	...	...	...	—	3,27	61	—2,66
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
52	49	—3	1,36	1,38	+2	3,04	3,68	+64	2,76	3,63	+87	4,45	1,19	—3,26

TABLE

	Currency.			Mint.			Civil Works, etc.			Territorial and Political Pensions.		
	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (—)
Pay of Officers	3,07	2,71	−36	1,15	1,37	+22	2,95	2,44	−51	...	...	...
Sterling Leave Salary, Overseas Pay, Deputation Pay, etc.	47	57	+10	17	42	+25	96	63	−33	...	...	...
Pay of Establishment	13,34	17,27	+3,93	5,78	6,86	+1,08	3,47	4,76	+1,29	...	...	...
Establishment and other Charges paid to other Governments, etc.	...	...	...	...	...	...	17,58	21,08	+3,50	...	...	...
Deduct—Establishment and other Charges recovered from other Governments, etc.	..	...	...	...	...	...	...	...	...	...	...	...
Allowances, Honoraria, etc.	1,06	1,33	+27	38	59	+21	1,28	1,46	+18	...	...	...
Pensions, etc.	...	...	...	...	...	...	...	...	...	31,39	32,33	+94
Deduct.—Recoveries from other Governments, etc.	...	...	..	...	...	...	...	...	...	...	...	...
Grants-in-Aid, Subsidies, etc	...	...	...	...	...	...	75	86,41	+85,66	...	...	...
Refugees and State Prisoners	...	...	...	...	...	..	...	...	...	...	...	...
Entertainment Charges	...	...	..	...	...	...	...	...	...	...	...	...
Assignments and Compensations	...	...	...	...	...	...	...	...	...	...	...	...
Works	3	1,15	+1,12	...	...	...	1,45,76	2,25,43	+79,67	...	...	...
Purchase of Stores	...	9,17	+9,17	1,77	3,33	+1,56	...	...	...	...	...	...
Purchase of Stock	29,76	...	−29,76	...	...	...	...	...	...	...	...	..
Other Supplies and Services and Contingencies.	1,72	5,20	+3,48	85	1,81	+96	55	73	+18	...	...	..
Loss on Coinage	..	...	...	3,82	8,09	+4,27	..	...	...	...	...	...
Remittance of Treasure	8,03	9,44	+1,41	...	...	...	...	...	...	...	...	...
Service of Debt	...	1,39	+1,39	...	...	...	...	...	..	...	...	...
Contributions to Depreciation, etc., Funds.	...	32	+32	...	...	...	...	...	...	...	...	...
Miscellaneous	...	...	...	...	...	...	4,43	5,87	+1,44	...	...	...
Deduct—Probable Savings	...	...	...	...	...	...	...	—10,00	—10,00	...	...	...
Total	57,48	48,55	−8,93	13,92	22,47	+8,55	1,77,73	3,38,81	1,61,08	31,39	32,33	−9

A—*concl.*

Superannuation Allowances and Pensions.			Stationery and Printing.			Miscellaneous.			Extraordinary Payments.			Grand Total.		
1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget	Increase (+) Decrease (−).	1924-25, Actuals.	1929-30, Budget.	Increase (+) Decrease (−).
...	...	...	1,68	1,69	+ 1	2,94	4,63	+ 1,69	...	...	...	3,09,16	3,48,59	+ 39,43
...	...	...	1,01	1,91	+ 90	50	49	− 1	...	...	...	50,17	57,54	+ 7,37
...	...	...	15,51	21,64	+ 6,13	4,12	2,07	− 2,05	...	...	..	4,44,66	5,47,85	+ 1,03,19
...	...	...	4,30	1,78	− 2,52	...	...	...	...	...	...	1,30,89	1,67,10	− 23,79
...	...	...	− 48,29	− 56,69	− 8,40	...	...	...	...	...	...	− 1,44,27	− 1,34,20	+ 10,07
...	...	...	1,10	1,28	+ 18	1,08	2,13	+ 1,05	...	...	..	1,15,37	1,40,11	+ 24,74
3,03,09	3,15,57	+ 12,48	...	...	...	80	11	− 69	...	...	...	3,36,41	3,50,15	+ 13,74
− 17,05	− 64,43	− 47,38	...	...	...	...	...	...	...	...	...	− 17,05	− 64,43	− 47,38
...	...	...	...	...	...	14,30	12,53	− 1,77	...	...	...	1,43,51	2,17,83	+ 74,32
...	..	...	...	...	...	...	...	...	...	...	...	4,16	3,30	− 86
...	...	...	...	...		...	...	...	...	...	...	4,88	4,69	− 19
...	...	...	...	...	...	28,10	27,91	− 19	...	...	...	72,63	95,84	+ 23,21
..	...	...	...	...	...	...	...	...	...	...	...	1,92,90	3,37,02	+ 1,44,12
..	...	...	11,15	7,31	− 3,84	2,00	2,40	+ 40	...	...	...	19,36	30,31	+ 10,95
...	...	...	34,43	51,13	+ 16,70	...	...	...	...	...	..	3,12,42	1,33,16	− 1,79,26
...	...	...	14,45	18,49	+ 4,04	2,89	5,55	+ 2,66	...	...	...	2,04,23	2,55,88	+ 51,65
...	...	...	...	...	...	...	...	...	...	...	...	3,82	8,09	+ 4,27
...	...	...	...	...	...	...	...	...	...	...	...	8,03	9,44	+ 1,41
...	...	...	...	...	..	...	...	...	...	...	...	18,83,22	15,78,48	− 3,04,74
...	...	...	...	2,44	+ 2,44	...	...	...	...	...	...	2,60	9,39	+ 6,79
...	...	...	...	...	...	26,51	14,75	− 11,06	1,02	2,25	+ 1,23	59,71	48,26	− 11,45
...	...	...	...	− 35	− 35	...	− 10	− 10	...	...	...	...	− 32,19	− 32,19
2,86,04	2,51,14	− 34,90	35,34	50,63	+ 15,29	82,54	72,47	− 10,07	1,02	2,25	+ 1,23	41,36,81	40,52,21	− 84,60

4. The foregoing table includes sterling expenditure, as well as outlay in India, whether incurred in the six minor administrations which form the subject of Part III or by the central Government proper. In order to present a clear picture of the true progress of expenditure, it is essential to separate the outlay of the minor administrations from that of the Government of India. This has accordingly been done, so far as the totals under sub-heads are concerned, in the following table. It must be explained, firstly, that, as the sterling charges of the minor administrations are not separable from those of the central Government, the entire expenditure in England has been debited to the latter; and, secondly, that the outlay assigned to the administrations includes those charges only which, if incurred in a Governor's province, would be classified as provincial expenditure. Charges which would be "central" in a Governor's province are assigned in the table to the Government of India. There is, however, one exception to the latter principle. It is not possible to separate from the ordinary expenditure on civil works, incurred in the North West Frontier Province and Baluchistan in 1924-25, outlay similar to that which is now recorded as central under the head Frontier Watch and Ward. All the works expenditure of the two administrations has therefore been assigned to the administrations, and not to the Government of India, in both years.

TABLE B.

	Central Government proper.			Minor Administrations.		
	1924-25, Actuals.	1929-30, Budget.	Increase (+). Decrease (—).	1924-25, Actuals.	1929-30, Budget.	Increase (+). Decrease (—).
Pay of Officers	2,84,08	3,17,58	+33,50	25,08	31,01	+5,93
Sterling Leave Salary, Overseas Pay and Deputation Pay.	50,17	57,54	+7,37	..	..	..
Pay of Establishment	3,69,71	4,57,96	+88,25	74,95	89,89	+14,94
Establishment and other Charges paid to other Governments, etc.	1,13,10	87,17	—25,93	17,79	19,93	+2,14
Deduct.—Establishment and other Charges recovered from other Governments, etc.	—1,42,34	—1,32,44	+9,90	—1,93	—1,76	+17
Allowances, Honoraria, etc.	1,00,45	1,19,19	+18,74	14,92	20,92	+6,00
Pensions, etc.	3,27,09	3,37,41	+10,32	9,32	12,74	+3,42
Deduct.—Recoveries from other Governments, etc.	—17,05	—64,43	—47,38	..	..	..
Grants-in-Aid, Subsidies, etc.	1,13,80	1,75,65	+61,85	29,71	42,18	+12,47
Refugees and State Prisoners	4,16	3,30	—86	..	..	..
Entertainment Charges	4,88	4,69	—19	..	..	
Assignments and Compensations	70,43	85,27	+14,84	2,20	10,57	+8,37
Works	96,36	1,41,17	+44,81	96,54	1,95,85	+99,31
Purchase of Stores	19,36	29,86	+10,50	..	45	+45
Purchase of Stock	3,12,42	1,33,16	—1,79,26	..	..	..
Other Supplies and Services and Contingencies.	1,57,49	2,02,46	+44,97	46,74	53,42	+6,68
Loss on Coinage	3,82	8,09	+4,27	..	..	..
Remittance of Treasure	8,03	9,44	+1,41	..	..	..
Service of Debt	18,71,24	15,66,01	—3,05,23	11,98	12,47	+49
Contributions to Depreciation, etc., Funds.	2,60	9,35	+6,75	..	4	+4
Miscellaneous	54,49	46,44	—8,05	5,22	1,82	—3,40
Deduct.—Probable Savings	..	—23,16	—23,16	..	—9,03	—9,03
Total	38,04,29	35,71,71	—2,32,58	3,32,52	4,80,50	+1,47,98

5. In examining the progress of expenditure under the various sub-heads, I shall deal separately with the outlay of the Government of India proper and that of the six minor administrations taken together.

EXPENDITURE OF THE GOVERNMENT OF INDIA PROPER.

6. As a preliminary to an analysis of the growth of the expenditure of the central Government, I propose to divide the account heads concerned into the following five groups :—

A. Direct Demands on the Revenue.
B. Debt Services.
C. Currency and Mint.
D. Pensions of Government servants and their dependants.
E. Civil Administration and Miscellaneous.

The first four of these groups present special features, and their expenditure is governed by considerations differing materially from those regulating that of the fifth group, which contains what may be called the ordinary run of Government expenditure. The outlay connected with the collection of revenue must vary, to a great extent, with the size of the revenue to be received and the circumstances of collection. The amount of interest payable by the State depends upon the nature and magnitude of the outstanding loans, while the amortisation of debt is regulated with a view to the requirements of India's credit in the money markets of the world. Expenditure upon Currency and Mint is largely governed by the demand for various types of currency. Finally, the expansion of outlay upon non-effective charges is almost entirely automatic and is not susceptible of control from year to year. It is, of course, not entirely impossible to regulate the expenditure under each of the first three groups with a view to economy of administration ; but the fifth group is that to which attention must be primarily directed when the possibilities of retrenchment are under consideration.

The following table shows the figures of the first three money columns of Table B distributed over the five groups :—

TABLE C.

	A Direct Demands on the Revenue.			B Debt Services.			C Currency and Mint.			D Pensions of Government Servants.			E Civil Administration and Miscellaneous.		
	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.
Pay of Officers	41,30	49,99	+8,69	..	..	..	4,22	4,08	—14	..	..	..	2,38,56	2,63,51	+24,95
Sterling Leave Salary, etc.	7,17	6,17	—1,00	..	..	..	64	99	+35	..	..	..	42,36	50,38	+8,02
Pay of Establishment	1,01,56	1,20,31	+18,75	..	..	..	19,12	24,13	+5,01	..	..	..	2,49,03	3,13,52	+64,49
Establishment and other charges payable to other Governments, etc.	19,23	6,32	—12,91	..	..	..	..	..	..	..	..	..	93,87	80,85	—13,02
Deduct.—Establishment and other charges recoverable.	—13,66	—4,80	+8,86	..	..	..	..	..	..	..	..	..	—1,28,68	—1,27,64	+1,04
Allowances, etc.	23,92	25,80	+1,88	..	..	..	1,44	1,92	+48	..	..	..	75,09	91,47	+16,38
Pensions, etc.	..	78	+78	..	..	..	..	..	..	2,94,90	3,03,92	+9,02	32,19	32,71	+52
Deduct.—Recoveries from other Governments, etc.	..	..	..	..	..	..	..	..	..	—17,05	—64,43	—47,38	..	..	..
Grants-in-Aid, etc.	77	3,49	+2,72	..	..	..	..	..	..	..	..	..	1,13,03	1,72,16	+61,85
Refugees and State Prisoners	..	..	..	..	..	..	..	..	..	..	..	..	4,16	3,30	—86
Entertainment Charges	..	..	..	..	..	..	..	..	..	..	..	..	4,88	4,69	—19
Assignments and Compensations	43,54	59,07	+15,53	..	..	..	..	..	..	..	..	..	26,89	26,20	—69
Works	11,76	10,28	—1,48	..	..	..	3	1,15	+ 1,12	..	..	..	84,57	1,29,74	+45,17
Purchase of Stores	33	47	+14	..	..	..	1,77	12,50	+10,73	..	..	..	17,26	16,89	—37
Purchase of Stock	2,46,81	82,03	—1,64,78	..	..	..	29,76	..	—29,76	..	..	..	35,85	51,13	+15,28
Other Supplies and Services and Contingencies.	24,92	34,18	+ 9,26	..	..	..	2,57	7,01	+4,44	..	..	..	1,30,00	1,61,27	+31,27
Loss on Coinage	..	..	..	..	..	..	3,82	8,09	+4,27	..	..	..	..	..	..
Remittance of Treasure	..	..	..	..	..	..	8,03	9,44	+1,41	..	..	..	..	..	..
Service of Debt	3,01	4,74	+1,73	18,68,23	15,59,88	—3,08,35	..	1,39	+1,39	..	..	..	..	..	..
Contributions to Depreciation, etc., Funds.	2,60	2,99	+39	..	..	..	..	32	+32	..	..	..	..	6,04	+6,04
Miscellaneous	..	..	..	..	..	..	..	..	..	..	..	..	54,49	46,44	—8,05
Deduct.—Probable Savings	..	—5,50	—5,50	..	..	..	..	..	..	..	..	..	..	—17,66	—17,66
Total	5,13,26	3,96,32	—1,16,94	18,68,23	15,59,88	—3,08,35	71,40	71,02	—38	2,77,85	2,39,49	—38,36	10,73,55	13,05,00	+2,27,45

7. In order to effect a proper comparison of the expenditure of the two years, it is necessary to make certain adjustments of the figures recorded in Table C. In the first place, it is desirable to deduct from the outlay of 1924-25 a number of casual or unusual items which have no counterpart in the budget of 1929-30. A typical example of such an item is the cost of the administration of Aden recorded under the head Political. As the incidence of such charges was still under discussion when the budget for 1929-30 was framed, no provision for them was made in it. The following is a list of the more important items of this nature :—

Group (see paragraph 6 above).	Sub-head.	Item.	Amount (in Rs. 000).
A	Pay of Officers	Cotton Excise staff, since abolished	10
A	Pay of Establishment	Ditto	35
A	Allowances, etc.	Ditto	8
E	Pay of Officers	Arrear payments relating to the Medal Section of the Army Department of the Secretariat	16
		Expenditure in Aden	1,20
		Deputation of an officer to Mauritius in connection with Emigration	4
E	Pay of Establishment	Arrear payments relating to the Medal Section	52
		Expenditure in Aden	1,12
E	Establishment and other Charges paid to other Governments, etc.	Arrear payments for administration of Agency subjects	48
	Ditto.	Arrear payments in connection with Public Health	99
	Ditto	Purchase of Farms from the Army Department	6,46
	Ditto.	Arrear payments in connection with Joint Stock Companies	14
	Ditto.	Arrear payments in respect of Commercial Intelligence	51
E	*Deduct.*—Establishment and other Charges recovered from other Governments, etc.	Expenditure in Aden	—10
		Arrear recoveries in respect of expenditure in Persia	—2,19
	Ditto.	Accidental double credit of recoveries from the Posts and Telegraph Department under Stationery and Printing	—7,14
E	Allowances, etc.	Cotton Excise Staff	8
	Do.	Arrear payments relating to the Medal Section	2
	Do.	Expenditure in Aden	24
	Do.	Deputation of an officer to Mauritius	3
E	Grants-in-Aid, etc.	Arrear payment to Indian Institute of Science at Bangalore..	62
	Do.	Arrear payment to Benares Hindu University	1,00
	Do.	Grant for Guma Water Works	5,00
	Do.	Bounties to the Steel Industry	60,79
E	Other Supplies and Services and Contingencies.	Cotton Excise Staff	1
	Ditto.	Arrear payments relating to the Medal Section.	9
E	Ditto.	Expenditure in Aden	2,14
	Ditto.	Deputation of an officer to Mauritius	13
E	Miscellaneous	Special political expenditure in the Punjab	5,40
	Do.	Special political expenditure in Baluchistan	54
	Do.	Special political expenditure in Persia	1,02

Group (see paragraph 6 above).	Sub-head.	Item.	Amount (in Rs. 000).
E	Miscellaneous	Arrear payments and misappropriation in Kermanshah	39
E	Do.	Cost of the Putao District of Burma, since abolished	1,20
E	Do.	The British Empire Exhibition	2,73
E	Do.	Repatriation of enemy subjects interned in India and post-war repatriation of destitute Indians	5,30
E	Do.	Cost of chartering a vessel to meet the passage requirements of Government servants	7,54
E	Do.	Commission on pensions, etc., paid abroad	58
		Total	97,57

If further details of any of the items in the foregoing table are required, a reference should be made to the relevant memorandum in Part II.

8. In precisely the same way, the budget for 1929-30 included a number of special non-recurrent items which must be eliminated before a proper comparison of the expenditure of the two years can be made. The more important items of this class are listed below :—

Group (see paragraph 6 above).	Sub-head.	Item.	Amount (in Rs. 000).
C	Purchase of Stores	Stores for electrolytic refinery in Bombay	45
C	Other Supplies and Services and Contingencies.	Cost of substituting purchased electric current for a departmental power station at the Calcutta Mint	37
E	Pay of Officers	Expeditions to the Triangle in Burma	65
E	Pay of Establishment	Ditto	78
E	Allowances, etc.	Ditto	24
E	Grants-in-Aid, etc.	Grant to Bose Research Institute	2,00
E	Do.	Grant to Benares University	3,00
E	Do.	Grant to the Pasteur Institute at Kasauli	1,64
E	Do.	Grant for Agricultural Research	10,00
E	Works, etc.	Outlay on India House in London	29,23
E	Other Supplies and Services and Contingencies.	Special purchases for the Viceroy's House at New Delhi	27
E	Ditto.	Expeditions to the Triangle	4,68
E	Ditto.	Outlay on the Forms Press	1,12
E	Miscellaneous	Compensation to Wazirs	50
E	Do.	Cost of Jaji-Turi Commission	20
E	Do.	Irrecoverable enemy debt due by British nationals in India and paid by Government	2,25
		Total	57,38

9. A second class of item which calls for adjustment is that of expenditure transferred, in the course of the six years under review, between a civil and a non-civil budget. The following is a list of the more important increases and decreases in the civil budget of 1929-30 due to transfers of this kind :—

Group (see paragraphs 6 above).	Sub-head.	Item.	Amount (in Rs. 000).
E	Pay of Officers	Transfer from military to civil budget of cost of Cantonment Magistrates' Courts in Central India	5
E	Pay of Establishment	Ditto.	3
E	Do.	Transfer from military to civil budget of the Finance and Budget Sections of the Royal Air Force	57
E	Do.	Transfer from military to civil budget of the cost of the escort of the Resident in Nepal	43
E	Establishment and other Charges paid to other Governments, etc.	Debit to the expenditure head of agency charges payable to provincial Governments, which were previously brought to account by deduction from revenue received	81
E	*Deduct*—Establishment and other Charges recovered from other Governments, etc.	Transfer to the Posts and Telegraphs budget of the cost of policing offices in Calcutta	—15
E	Ditto.	Transfer to the Military and Railway budgets of the cost of Stationery, etc., previously supplied free	—16,55
E	Allowances, etc.	Transfer from military to civil budget of the Finance and Budget Sections of the Royal Air Force	24
E	Other Supplies and Services and Contingencies.	Transfer from military to civil budget of the cost of telephones in the North-West Frontier Province	32
		Total	—14,25

10. Finally, it is necessary to deduct from the budget figures of 1929-30 certain items of increased expenditure which are covered by more or less specific increases of revenue. The majority of these items is the result of changes of classification, recoveries formerly taken by deduction from expenditure being now credited as revenue. The more important items of this class are brought together in the following list :—

Group (see paragraph 6 above).	Sub-head.	Item.	Amount (in Rs. 000)
A	Allowances, etc.	Recoveries from merchants of fees to meet over-time and holiday allowances under Customs, now credited as revenue	96
A	Do.	Recoveries from local Governments of allowances to probationers of the Indian Forest Service	13
A	Grants-in-Aid, etc.	Increased grants to charitable institutions from fees paid by merchants for Customs work done on holidays, etc.	2,73

Group (see paragraph 6 above).	Sub-head.	Item.	Amount (in Rs. 000).
A	Assignments and Compensations .	Payments to Travancore and Cochin States in respect of increased Customs revenue collected at their ports . . .	11,55
A	Do. . . .	Increased payments to Jaipur and Jodhpur States on account of increased output of salt in their territories . . .	4,01
A	Other Supplies and Services and Contingencies.	Recoveries of despatch charges under Salt, now credited as revenue . . .	2,75
A	Do. . . .	Recoveries of cost of Opium supplied to the Excise Department, now credited as revenue	3,64
E	Pay of Officers	Cost of Anand Creamery, covered by anticipated revenue	8
E	Pay of Establishment . . .	Cost of Anand Creamery, covered by anticipated revenue	12
E	Do.	Recovery from military budget of cost of escorts of Survey parties . . .	35
E	*Deduct*—Establishment and other Charges recovered from other Governments, etc.	Recoveries connected with the purchase of Stores in England, now credited as revenue	3,84
E	Do. . . .	Recoveries under Audit now credited as revenue	1,85
E	Do. . . .	Recoveries under Police in Hyderabad, now credited as revenue	2,17
E	Do. . . .	Recoveries under Political and Frontier Watch and Ward, now credited as revenue	1,71
E	Do. . . .	Recoveries in the Western India States Agency, which should have been deducted from estimated expenditure, accidentally omitted from the budget .	30
E	Do. . . .	Recoveries from His Majesty's Government in respect of expenditure in Persia, now credited as revenue	1,73
E	Do. . . .	Recoveries under Public Health, now credited as revenue	89
E	Do. . . .	Increase in recoveries under Stationery and Printing, credited as revenue . .	25,05
E	Allowances, etc.	Cost of Anand Creamery, covered by anticipated revenue	2
E	Grants-in-Aid, etc. . . .	Grant under Civil Works for Road Development, met out of revenue collected for the purpose	83,30
E	Other Supplies and Services and Contingencies.	Recoveries of cost of priced publications of Government, credited as revenue under Stationery and Printing . . .	4,33
E	Do. . . .	Recoveries of Customs duty on imported Stores, credited as revenue . . .	57
E	Do. . . .	Recovery from the military budget of cost of clothing supplied to certain Survey establishments, credited as revenue .	42
E	Do. . . .	Cost of Anand Creamery, covered by anticipated revenue	1,68
E	Do. . . .	Increased payments for weather telegrams, covered by increased revenue of the Posts and Telegraphs Department .	79
E	Do. . . .	Recoveries of rent by the Public Works Department in Delhi, credited as revenue under Civil Works . . .	1,24
E	Do. . .	Cost of fumigation of American cotton, financed from fees received . .	2,57
		Total . . .	1,59,47

Here, again, if further information about any item in the list is required, it is suggested that reference should be made to the relevant memorandum in Part II.

11. If the adjustments suggested in the four preceding paragraphs are made, Table C in paragraph 6 will take the following shape :—

TABLE D.

	A			B			C			D			E			Total.		
	Direct Demands on the Revenue.			Debt Services.			Currency and Mint.			Pensions of Government Servants.			Civil Administration and Miscellaneous.					
	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Increase(+) Decrease(—).
Pay of Officers	41,20	49,99	+8,79	..	..	..	4,22	4,08	—14	..	..	..	2,37,16	2,62,73	+25,57	2,82,58	3,16,80	+34,22
Sterling Leave Salary, etc.	7,17	6,17	—1,00	..	..	..	64	99	+35	..	..	..	42,36	50,38	+8,02	50,17	57,54	+7,37
Pay of Establishment	1,01,21	1,20,31	+19,10	..	..	..	19,12	24,13	+5,01	..	..	..	2,47,39	3,11,24	+63,85	3,67,72	4,55,68	+87,96
Establishment and other Charges payable to other Governments, etc.	19,23	6,32	—12,91	..	..	..	..	..	..	..	..	..	85,29	80,04	—5,25	1,04,52	86,36	—18,16
Deduct—Establishment and other Charges recovered	—13,66	—4,80	+8,86	..	..	..	..	..	..	..	..	..	—1,19,25	—1,48,48	—29,23	—1,32,91	—1,53,28	—20,37
Allowances, etc.	23,84	24,71	+87	..	..	..	1,44	1,92	+48	..	..	..	74,72	90,99	+16,27	1,00,00	1,17,62	+17,62
Pensions, etc.	..	78	+78	..	..	..	..	..	..	2,94,90	3,03,92	+9,02	32,19	32,71	+52	3,27,09	3,37,41	+10,32
Deduct—Recoveries from other Governments, etc.	..	..	..	..	..	..	..	..	..	—17,05	—64,43	—47,38	..	..	..	—17,05	—64,43	—47,38
Grants-in-Aid, etc.	77	76	—1	..	..	..	..	..	..	..	..	..	45,62	72,22	+26,60	46,39	72,98	+26,59
Refugees and State Prisoners	..	..	..	..	..	..	..	..	..	..	..	..	4,16	3,30	—86	4,16	3,30	—86
Entertainment Charges	..	..	..	..	..	..	..	..	..	..	..	..	4,88	4,69	—19	4,88	4,69	—19
Assignments and Compensations	43,54	43,51	—3	..	..	..	..	..	..	..	..	..	26,89	26,20	—69	70,43	69,71	—72
Works	11,76	10,28	—1,48	..	..	..	3	1,15	+1,12	..	..	..	84,57	1,00,51	+15,94	96,36	1,11,94	+15,58
Purchase of Stores	33	47	+14	..	..	..	1,77	12,05	+10,28	..	..	..	17,26	16,89	—37	19,36	29,41	+10,05
Purchase of Stock	2,46,81	82,03	—1,64,78	..	..	..	29,76	..	—29,76	..	..	..	35,85	51,13	+15,28	3,12,42	1,33,16	—1,79,26
Other Supplies and Services and Contingencies	24,92	27,79	+2,87	..	..	..	2,57	6,64	+4,07	..	..	..	1,27,63	1,43,28	+15,65	1,55,12	1,77,71	+22,59
Loss on Coinage	..	..	..	..	..	..	3,82	8,09	+4,27	..	..	..	..	..	..	3,82	8,09	+4,27
Remittance of Treasure	..	..	..	..	..	..	8,03	9,44	+1,41	..	..	..	..	..	..	8,03	9,44	+1,41
ervice of Debt	3,01	4,74	+1,73	18,68,23	15,59,88	—3,08,35	..	1,39	+1,39			..	..	..	..	18,71,24	15,66,01	—3,05,23
ontributions to Depreciation, etc., Funds	2,60	2,99	+39	..	..	..	..	32	+32	..	..	..	..	6,04	+6,04	2,60	9,35	+6,75
iscellaneous	..	..	..	..	..	..	..	..	..	..	..	..	29,79	43,49	+13,70	29,79	43,49	+13,70
Deduct—Probable Savings	..	—5,50	—5,50	..	..	..	..	..	..	..	..	..	..	—17,66	—17,66	..	—23,16	—23,16
Total	5,12,73	3,70,55	—1,42,18	18,68,23	15,59,88	—3,08,35	71,40	70,20	—1 20	2,77,85	2,39,49	—38,36	9,76,51	11,29,60	+1,53,09	37,06,72	34,69,82	—3,34,90

12. In analysing the development of the expenditure of the Government of India proper under each of the principal groups of account heads, I shall work on the figures of Table D. The method adopted will be to discuss in the first instance the more important variations under individual sub-heads, and to conclude with a brief summary of the main factors which have affected the course of expenditure.

Expenditure of the Government of India proper:—Group A ; Direct Demands on the Revenue.

13. (*a*) *Pay of Officers.* +8,79

The principal factor in the increase is a growth of 10,35 under Taxes on Income, which is due to the institution of a central staff to perform work which was previously entrusted to provincial officers as agents of the central Government. Against this must be taken a considerable portion of the reduction shown under Establishment and other Charges payable to other Governments, etc. The gross cost of the new central establishments is, however, considerably greater than the payments previously made to the provinces ; this being the price paid for a more efficient agency for the collection of revenue.

Under this sub-head, Customs shows an increase of 1,32, due mainly to the greater bulk and complexity of the work to be performed ; while there is a decrease of 2,79 under Opium, caused by the restriction of poppy cultivation.

(*b*) *Sterling Leave Salary, Overseas Pay, Deputation Pay, etc.* —1,00

Payments under leave-salary and deputation pay are naturally subject to fluctuation. The principal decline occurred, however, under the head Forest, and was due to the cessation of allowances previously paid to Forest probationers in the United Kingdom.

(*c*) *Pay of Establishment* +19,10

There was a growth of 6,97 under Customs, due mainly to the increased bulk and complexity of the work to be performed.

An expansion of 10,35 under Taxes on Income is explained by the change of organisation mentioned in (*a*) above. It was partially set off by a reduction under Establishment and other Charges paid to other Governments, etc.

Salt shows an increase of 3,71, which is principally due to the centralisation of administration. Here also the agency of local Governments had previously been employed.

There is a fall of 2,46 under Opium, caused by the restriction of poppy cultivation, and minor variations under other heads.

(*d*) *Establishment and other Charges payable to other Governments, etc.* —12,91

The bulk of the charges recorded under this sub-head consists of true Establishment charges.

The principal factor in the fall of expenditure was a decline of 10,81 under Taxes on Income, which was due to the centralisation of the collection of revenue.

A fall of 1,76 under Customs was the result of a decision that the Salt Department should meet the entire cost of the combined Salt and Customs establishment in the Bombay Presidency.

(*e*) Deduct — *Establishment and other Charges recovered from other Governments, etc.* +8,86

This sub-head, in the case of this group, includes comparatively few Establishment charges proper.

The fall in recoveries is almost entirely due to a change of accounting methods in connection with the supply of Stamps to local Governments. As explained in the memorandum on Account No. 7 of Part II, the apparent growth of expenditure is purely nominal.

(*f*) *Allowances, Honoraria, etc.* +87

Expansion of establishments invariably involves an increase of expenditure under Allowances. As was to be expected, there has been a growth of 1,54 under Taxes on Income, partially counter-balanced by a fall under Opium.

(*g*) *Pensions, etc., of Government servants* +78

This is a transfer, from the head Superannuation Allowances and Pensions, of the pensionary charges of the Salt Department ; being a necessary result of the commercialisation of the departmental accounts.

(*h*) *Works.* —1,48

The decrease is due to the slackening of the programme of construction of Salt works in Northern India.

(*i*) *Purchase of Stock.* —1,64,78

Under this sub-head are included purchases of Salt, Opium and Stamps for re-sale to local Governments and to members of the public. Of the decline in expenditure, as much as 1,55,85 occurred under Opium and was due to the reduction of requirements owing to the restriction of the export of opium. A fall of 6,02 under Stamps resulted from the cessation of purchases when the Security Printing Press came into full work. Finally, smaller purchases of Salt led to a decline in expenditure of 2,91.

(*j*) *Other Supplies and Services and Contingencies.* +2,87

There was an increase of 1,92 under Customs and of 2,17 under Taxes on Income, set off by a fall of 2,18 under Opium. The increases are due to the same causes which occasioned the corresponding rises under the establishment sub-heads of account.

(*k*) *Service of Debt.* +1,73

The Salt Department, as a commercial department, is required to pay interest on the capital invested in its works, and the growth of expenditure under this sub-head is mainly due to the increase of such investments. A sum of 56 represents, however, a new charge on account of interest on the money locked up in Salt stocks. This is a mere transfer from the Interest head of account.

(*l*) Deduct—*Probable Savings* —5,50

The contemplated savings must be distributed over the other sub-heads in the table, and may therefore operate to lessen increases or to enhance decreases of expenditure shown against individual sub-heads.

14. In summarising the reasons for the decrease of 1,42,87 in the expenditure on this group of services, it may be said that the principal factor was the restriction of Opium cultivation and export which, with the cessation of purchase of Stamps and smaller outlay on the acquisition of Salt, led to a fall of 1,64,78 under the sub-head Purchase of Stock. Omitting this factor, there remains for explanation a growth of 21,91, of which 8,60 is a nominal increase under the head Stamps. The bulk of the balance is due to increased expenditure under the Establishment sub-heads in connection with the collection of revenue from Customs, Taxes on Income and Salt; partially reduced by a decline under the same sub-heads in the case of Opium. The expansion under Customs, which amounted to about 7¼ lakhs, was due to the development of work in bulk and complexity. The growth of approximately 11¼ lakhs under Taxes on Income and 4 lakhs under Salt was mainly the result of centralisation of administration; while the restriction of poppy cultivation caused a fall of 5½ lakhs under Opium. The relation of the cost of collection to the revenue collected is discussed in the relevant memoranda in Part II, to which a reference is invited.

Expenditure of the Government of India proper—Group B; Debt Services.

15. The figures of this group have been elaborately analysed in the memoranda printed as Accounts Nos. 11 and 12 in Part II of this review, and it appears unnecessary to repeat the analysis here. The outstanding cause of the decrease of expenditure charged to the civil budget is the fact that the commercial departments of Government are debited with interest at full rates on all capital supplied for their use, from whatever source it may be provided. During the period under review, Government was in a position to finance capital outlay to a great extent from funds on which it paid either no interest at all or interest lower in rate than that which it recovered from the commercial departments. As a result, there were large transfers of interest, to the Railway Department in particular, which were not counterbalanced by increased payments of interest to the public. This factor, assisted by some decline in the rates of interest paid by Government, more than outweighed the effect of the new sums actually borrowed during the period.

Expenditure of the Government of India proper:—Group C; Currency and Mint.

16. (*a*) *Pay of Establishment.* +5,01

There has been an increase, during the period, of 3,93 under Currency and 1,08 underMint. The bulk of the latter is due to expansion of staff in the Calcutta Mint owing to the concentration of coinage in that Mint and the larger demand for small coin. Of the growth under Currency, about 1,67 resulted from a revision of pay, introduced in the course of 1924-25, which did not take full effect until later years. The bulk of the balance represents the cost of the establishment of the Currency Note Printing Press at Nasik, which is more than set off by the fall in expenditure on the purchase of notes.

(*b*) *Allowances, etc.* +48

This is mainly the result of the grant of compensatory allowances to the establishments serving in the expensive cities of Bombay and Calcutta.

(*c*) *Works.* +1,12

The increase is almost entirely due to provision for the construction of a new Currency Office in Lahore. Had this been undertaken in 1924-25, when the Punjab Government constructed central public works as an agent of the Government of India, it would have been debited to the head Civil Works.

(*d*) *Purchase of Stores.* +10,28

Of the increase, about 1,15 occurred under Mint, being due to the establishment of the silver refinery in Bombay. The balance of the growth is mainly due to the institution of the Currency Printing Press at Nasik, and is far more than off-set by the fall in expenditure on the purchase of notes which is recorded under the sub-head Purchase of Stock.

(*e*) *Purchase of Stock.* —29,76

The decrease is due to the absence of provision for the purchase of currency notes, such notes being now manufactured at Nasik.

(*f*) *Other Supplies and Services and Contingencies.* +4,07

The bulk of this increase is the result of the institution of the Nasik Press, partly set off by reductions elsewhere. There was a small growth under Mint due to the increased activity in Calcutta.

(*g*) *Loss on Coinage.* +4,27

This was due to the heavy withdrawals from circulation of rupees declared to be uncurrent in order to feed the Bombay refinery. It represents, of course, the difference between the face value and the bullion value of the rupees withdrawn.

(*h*) *Remittance of Treasure.* +1,41

The increased return of rupees from circulation and the large remittances of uncurrent coin to the Mints were the cause of this growth.

(*i*) *Service of Debt.* +1,39

This represents the interest on the capital invested in the Currency Note Printing Press at Nasik.

17. In summarising the course of expenditure under Currency and Mint, it may be said that two principal factors operated upon it during the period under review. There was a large saving under Currency, due to the institution of the Nasik Press to manufacture currency notes, which were previously purchased in England; and increased expenditure under Mint, which resulted from the institution of the silver refinery in Bombay, the withdrawal of old rupees to feed it and greater activity in the minting of small coin in Calcutta. The saving under Currency was to some extent reduced by the revision of pay of establishments, the construction of a new office at Lahore and increased charges for the remittance of treasure; with the result that the *net* saving under that head was almost counter-balanced by the increased outlay under Mint.

Expenditure of the Government of India proper:—Group D; Pensions, etc., of Government servants.

18. The expenditure on this group is very fully analysed in Account No. 68 of Part II of this review, and I would invite attention to the summary incorporated in paragraph 18 of the memorandum on that account, which it seems unnecessary to reproduce in this Part. A minor point, to which reference is made in paragraph 14 of the same memorandum, is that the Government of India possess no satisfactory statistics from which to calculate the period for which a pensioner, particularly of the subordinate or clerical staff, may be expected to live to enjoy his pension. With this must be coupled the entire absence of statistics showing the proportion of Government servants, in various grades and types of employment, who actually serve long enough to earn pensions of various classes. Some results of the former deficiency are suggested in paragraph 14 of the memorandum. Both deficiencies must be made good before it will be possible to calculate the present value of the pensionary chances of a new recruit entering a service; to make a correct comparison of the respective values of pensionary and provident fund benefits or to fix with any approach to accuracy the contribution towards pension which should be paid by the employer of a Government servant in foreign service. In neither case would the collection of the requisite statistics present any real difficulty, and it seems most desirable that it should be initiated at once.

Expenditure of the Government of India proper:—Group (E); Civil Administration and Miscellaneous.

19. It is to this group that the seeker after economy must primarily direct his attention, and the expenditure covered by it must therefore be analysed in rather greater detail than that of the other groups. I propose, in my analysis, to follow the same procedure as in the case of groups A and C; first examining the more important variations under individual sub-heads and then attempting a summary of the principal causes which have led to increased outlay.

20. (*a*) *Pay of Officers.* +25,57

The more important variations under particular sub-heads are briefly explained below. If greater detail is desired, reference should be made to the relevant memoranda in Part II.

(*i*) The expansion of work in the Government of India Secretariats has led to an increase of 2,08, to which must be added a growth of 83 on account of the institution of the Legislative Assembly Department.

(*ii*) The creation of the Public Service Commission is responsible for a rise of 2,57.

(*iii*) The expansion of the staff of the High Commissioner to meet the growth of work has caused an increase of 9,39. This includes, besides Pay of Officers, the pay of certain Establishments and some Allowances which are not properly debitable to this sub-head. Separate details are, however, not available.

(*iv*) An increase of 6,16 under Accounts and Audit is due partly to the separation of the two functions in respect of military accounts and of those of certain civil offices; partly to the creation of the Commercial Audit Department; and partly to the general development of accounts work. It is analysed very fully in the memorandum on Account No. 34 in Part II of this volume.

(*v*) The centralisation of the administration of shipping and navigation and the inauguration of the training ship 'Dufferin' are the main causes of a rise of 2,86 under Ports and Pilotage.

(*vi*) Under Ecclesiastical, there is a nominal decrease of 6,11, set off by increased expenditure under the sub-heads Sterling Overseas Pay and Grants-in-Aid.

(*vii*) A rise of 2,34 occurred under the Scientific Departments. Of this, 1,05 under Meteorology is mainly due to the requirements of Aviation; 58 under Geological Survey to the filling of vacant posts and 71 under Archæology to the extension of the activities of the department.

(*viii*) There is a growth of 3,99 under the Indian Stores Department, due to the development of its operations. Under the accounts system hitherto in force, this expenditure was passed on to the departments for which purchases were made, the recoveries being credited as revenue of the Stores Department.

(*ix*) An increase of 1,69 was due to the appointment of more expensive commissions and committees of inquiry.

(*b*) *Sterling Leave Salary, Overseas Pay, Deputation Pay, etc.* +8,02

There has been a largely nominal increase of 2,56 under Ecclesiastical, due to the replacement of rupee pay by sterling overseas pay. A great part of the balance is due to the same cause operating under other heads; but the expenditure on leave-salary and deputation pay inevitably varies from year to year with the number of Government servants on leave and deputation in the United Kingdom. The more important variations were—

General Administration . .	—1,79
Ports and Pilotage . . .	+2,55
Political and Frontier Watch and Ward	+2,19
Scientific Departments . .	+1,18
Medical Services . . .	+77
Stationery and Printing . .	+90

(*c*) *Pay of Establishment.* +63,85

As will be shown below, a considerable portion of this increase is not a true growth of expenditure, as it is set off by an increase of recoveries under the sub-head *Deduct*—Establishment and

other Charges recovered from other Governments, etc. To the gross figure of 63,85, the following are the principal contributors :—

(*i*) There has been an increase of 5,36 under the Government of India Secretariat; due partly to the employment of new staff owing to the expansion of work and partly to the accrual of increments to assistants and clerks who were newly engaged shortly before the commencement of the period under review.

(*ii*) The institution of the Legislative Assembly Department has caused a rise of 2,11 and that of the Public Service Commission a growth of 53.

(*iii*) There has been a very large increase of 26,52 under Accounts and Audit, partially set off by a growth of 2,18 in recoveries. The causes of the increase are very fully analysed in the memorandum on Account No. 34 of Part II of this volume; and it should suffice to summarise them here. The principal factors operating were the following :—

(1) The institution of a Commercial Audit Department and of temporary offices to handle the accounts of big construction projects.

(2) The beginning made in the separation of Accounts from Audit.

(3) The expansion of establishments owing to the growth of accounts work.

(4) The accrual of increments to the large additional staff engaged shortly before the commencement of the period under review.

(*iv*) The Scientific Departments taken together show an increase of 5,06. Of this, as much as 3,13 occurred under Survey of India, and is largely set off by the deduction of 3,72 made for probable savings in the budget of that Department. The expansion of the Meteorological Department, mainly in the interests of Aviation, caused a growth of 1,14, and that of the Archæological Department an increase of 79.

(*v*) Under Political and Frontier Watch and Ward there has been a rise of 6,30. The main causes of the growth have been the assumption by the central Government of direct relations with certain States of Western India, minor increases in establishment elsewhere, the revision of pay and the accrual of increments.

(*vi*) An increase of 4,68 under the Indian Stores Department is almost entirely nominal, being counterbalanced by recoveries from other departments supplied with stores, which are credited as revenue of the Stores Department. The true increase has been in the provision made for Supplies and Services and Contingencies in the budgets of the departments supplied.

(*vii*) There is a nominal growth of 5,97 under Stationery and Printing, which is entirely covered by an increase of recoveries taken into account under the sub-head *Deduct*—Establishment and other Charges recovered from other Governments, etc.

(*viii*) Civil Works show an increase of 1,18, set off by a fall of in Establishment Charges p to other Governments.

(*d*) *Establishment and other Charges payable to other Governments, etc.* —5,25

The bulk of the charges recorded under this sub-head represents the central Government's share of the cost of the military police debited to Frontier Watch and Ward in Burma and Assam. There has been a fall of 2,24 under that head, and of 2,52 under Stationery and Printing; the latter being due to a reduction in payments for printing work done for the Government of India by local Governments. A decline of 1,20 under Civil Works has been mentioned against item (*c*) above.

(*e*) Deduct—*Establishment and other Charges recovered from other Governments, etc.* —29,23

The reasons for the greater part of the increased recoveries will be apparent from a perusal of the list in paragraph 10 of this report, as modified by the relevant items of the corresponding list in paragraph 7. As will be apparent

from the items recorded in those lists, recoveries of establishment and of other charges are inextricably mingled in the lists; the recoveries concerned constituting reductions under the five sub-heads Pay of Officers, Pay of Establishment, Purchase of Stores, Purchase of Stock and Supplies and Services and Contingencies. It may, however, fairly be said that the bulk of the recoveries constitute true reductions of the expenditure under Pay of Establishment. Apart from the items mentioned in the two lists, the only important variation was a decline of 7,20 in the recoveries under Political, due mainly to a change in the method of accounting for the cost of Diplomatic and Consular Services in Persia.

(*f*) *Allowances, Honoraria, etc.* +16,27

This increase is spread in very level fashion over a number of the heads included in this group. A special feature was the grant during the period of compensatory allowances to certain officers and establishments stationed in expensive seaport towns, which led to additional expenditure of about 3 lakhs of rupees. Another minor cause of increase was the grant in certain cases of grain compensation allowance; while the [illegible]sion of Survey operations to difficult [illegible]ry and the development of travel[illegible] connection with local audit were [illegible]her contributory factors. The bulk [illegible]he expansion was, however, due to growth of staff, with its inevitable [illegible]companiment of larger travelling and [illegible]her allowances.

Grants-in-aid, Subsidies, etc. +26,60

The following are the principal factors [illegible] this increase:—

(*i*) There is a new recurring grant of 6,68 for Agricultural research and establishment.

(*ii*) Under Education, there is an increase of 2,25 in the shape of recurring grants to the Benares and Aligarh Universities, and of 1,93 in pursuance of the five-year programme of development.

(*iii*) The annual grant to the Indian Research Fund Association accounts for 7,50.

(*iv*) The development of Civil Aviation is responsible for 5,08.

(*v*) There is a nominal increase of 3,68 under Ecclesiastical, counterbalanced by a decline under the sub-head Pay of Officers.

(*vi*) Under the Miscellaneous head there is a decrease of 1,55, due to the reduction of the contribution paid towards the expenses of the League of Nations.

(*h*) *Works.* +15,94

The rise under this sub-head is entirely due to the expansion of Civil Aviation. The budget of 1929-30 made provision of 17,04 for expenditure on this service, against outlay of 3 in 1924-25.

(*i*) *Purchase of Stock.* +15,28

This increase is purely nominal. There is a fall of 1,42 under Botanical Survey, due to the cessation of the purchase of cinchona bark, and a growth of 16,70 under Stationery and Printing, due to larger purchases of stationery for distribution, which is counterbalanced by increased recoveries taken to the sub-head *Deduct*—Establishment and other Charges recovered from other Governments, etc.

(*j*) *Other Supplies and Services and Contingencies.* +15,65

Of the increase of expenditure, 1,06 under the Indian Stores Department is covered by countervailing revenue, and 2,66 under Miscellaneous represents greater outlay upon commissions and committees of inquiry. The balance is distributed over various heads of account, and may be ascribed to the general expansion of establishments and growth of work. Among the principal contributors are the heads Accounts and Audit, Survey of India, Archæology, Meteorology and Agriculture. A portion of the growth is, however, counterbalanced by an increase in Recoveries [item (*e*) above].

(*k*) *Contributions to Depreciation, etc., Funds.* +6,04

A charge of 3,64 represents provision for payments into the newly-instituted Reserve Funds for Lighthouses and Lightships, which are described in paragraph 3 (*b*) of the memorandum on Account No. 38 of Part II. The balance of 2,40 is due to the institution of Depreciation Funds for the Government Presses under the head Stationery and Printing.

(*l*) *Miscellaneous.* +15,70

Of this increase, as much as 5 lakhs represents the reserve placed at the disposal of the Finance Department as a provision against urgent and unforeseen expenditure. Of the balance, the two most important items are a provision of 1,20 for the hire of a despatch vessel

for the Political Agent in the Persian Gulf and a growth of 1,44 in miscellaneous charges, such as Suspense, under the head Civil Works.

(*m*) Deduct—*Probable Savings.* —17,66

These savings must be distributed over the sub-heads discussed above, and may therefore operate to reduce excesses or to enhance decreases of expenditure shown against individual sub-heads.

21. Of the total increase of 1,51,09 recorded in Group E, as much as 1,08,46 must be ascribed to the five principal establishment heads,—Pay of Officers, Sterling Leave Salary, etc., Pay of Establishment, Establishment and other Charges payable to other Governments, etc., and Allowances. The figure will be reduced to the neighbourhood of 95,00 by taking into account the appropriate share of the increase in recoveries from other Governments and non-civil departments, and to 88,00 if we assign to it 7 lakhs out of the provision for probable savings made in the budget for 1929-30. Even so, it will be seen that about 58 *per cent.* of the *net* increase in expenditure represents enhanced payments to Government servants in the shape of emoluments of various kinds. A further 17 *per cent.* is the result of increased Grants-in-aid, mainly in connection with Agriculture, Education, Public Health and Aviation. Purchase of Stock and Other Supplies and Services taken together are responsible for about 20 *per cent.*; which will be reduced by two-thirds when these sub-heads are credited with their approximate share of Recoveries. Finally, another 10 *per cent.* must be attributed to Works; the new expenditure being entirely due to the development of Civil Aviation.

22. In view of the very important place in the growth of expenditure which is occupied by enhanced emoluments of Government servants, it seems very desirable to examine the principal causes which ordinarily influence such growth. The most prominent of such causes are three in number:—

(*i*) The employment of additional staff.

(*ii*) The revision of pay and allowances.

(*iii*) The effect of time-scale increments accruing to existing staff.

The first and third of these are the responsible factors in the present case. There have been very few important revisions of pay during the period under review; though the extension of Lee concessions and the grant of compensatory allowances to Government servants stationed in certain important cities have led to some increased expenditure under Allowances.

23. The principal expansions of staff which have taken place during the six years' period occurred under the following heads:—Government of India Secretariats, Public Service Commission, Accounts and Audit, Ports and Pilotage and Lighthouses and Lightships, Survey of India, Meteorology, Agriculture and the Indian Stores Department. The growth under Secretariats, Survey of India and the Indian Stores Department and a portion of the rise under Accounts and Audit may be ascribed to the general increase of current work, which necessitated the employment of additional personnel. In the remaining cases, the growth of staff was due to the assumption by Government of new responsibilities or the adoption of more efficient methods of performing old duties.

24. The effect of time-scale increments upon the pay of existing incumbents is particularly marked in the case of the Accounts and Audit staff, which was very greatly augmented in the years immediately preceding the period under review. A minor instance of the kind is that of the Government of Secretariats. The effect of increme such cases is very considerable, pa cularly where clerical establishments concerned. In certain of the ministe time-scales, the initial pay doub after no more than five years of servi and examples in which it doubles aft eight years are common. The growt of expenditure due to accrual of incre ments in the single year 1929-30 for al groups of the central Government proper has been roughly calculated to have amounted to 3,92 in the case of Officers and to 7,15 under Establishments. It is clear that this type of increase must, in the case of comparatively recent additions to staff, continue to recur steadily for some years to come; although the lack of adequate service tables, to which I have already alluded in paragraph 18 of this review, makes it impossible to give any reliable estimate of the period for which the steady growth will continue. It is necessary to know, for this purpose, the average term for which a new recruit to a particular establishment or service will continue to serve in it. There is, however, as indicated in paragraph 7 (*b*) (*iv*) of the memorandum on

Account No. 34 in Part II of this volume, every reason to suppose that the assumption that every recruit will serve until he reaches the maximum pay of his scale, which underlies the current *formulæ* for the calculation of the average pay of a post on a time-scale is, in the case of clerical services at any rate, based upon a very doubtful foundation. However that may be, it is obvious that the increments of the new staff mentioned at the beginning of the foregoing paragraph must operate to increase the expenditure of the central Government for many years to come.

EXPENDITURE OF THE MINOR ADMINISTRATIONS.

25. The progress of the expenditure of the six minor administrations taken together is not in itself a matter of very great interest. Far more importance attaches to the review of the revenue and expenditure of each of the administrations as a separate unit, which has been attempted in Part III of this volume. I do not therefore propose to enter into very great detail in the general review which I shall undertake in this part.

26. Of the five groups of account heads adopted in the case of the outlay of the Government of India proper, no more than three find a place in a review of the expenditure of the minor administrations. There are no charges under Currency and Mint; while such Interest payments as are made are debited to the two heads Forest and Irrigation and are therefore included in the groups to which those heads appertain.

27. A table on the lines of Table C has been prepared for the minor administrations and is placed below. It should, however, be emphasised that the table is defective in the following respects :—

(*a*) It includes the expenditure on buildings and communications which properly relates to the central head Frontier Watch and Ward. Such expenditure, so far as the year 1924-25 is concerned, is not separable from the outlay on ordinary civil works.

(*b*) It includes no sterling expenditure, since the English outlay of the minor administrations is not distinguished in the accounts from that of the Government of India proper.

(*c*) The figures under Superannuation Allowances and Pensions are not a true measure of the pensionary charges of the administrations. They represent the cost of those pensions only which are actually disbursed from the treasuries of the administrations. There must be a large number of pensioners of these miniature provinces drawing pensions from treasuries in other parts of India.

TABLE E.

	A			D			E					
	Direct Demands on the Revenue.			Pensions, etc., of Government servants.			Civil Administration and Miscellaneous.			Total.		
	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.
Pay of Officers	1,50	1,86	+36	..	..	..	23,58	29,15	+5,57	25,08	31,01	+5,9
Pay of Establishment	9,32	10,86	+1,54	..	..	..	65,63	79,03	+13,40	74,95	89,89	+14,9
Establishment and other charges paid to other Governments, etc.	1,48	8	—1,40	..	..	..	16,31	19,85	+3,54	17,79	19,93	+2,1
Deduct — Establishment and other Charges recovered from other Governments, etc.	..	—19	—19	..	..	..	—1,93	—1,57	+36	—1,93	—1,76	+1
Allowances, Honoraria, etc.	1,98	2,49	+51	..	..	..	12,94	18,43	+5,49	14,92	20,92	+6,0
Pensions, etc.	..	..	..	8,19	11,65	+3,46	1,13	1,09	—4	9,32	12,74	+3,4
Grants-in-Aid, Subsidies, etc.	..	..	..	..	..	..	29,71	42,18	+12,47	29,71	42,18	+12,47
Assignments and Compensations	37	8,74	+8,37	..	..	..	1,83	1,83	..	2,20	10,57	+8,37
Works	15,11	22,86	+7,75	..	..	..	81,43	1,72,99	+91,56	96,54	1,95,85	+99,31
Supplies and Services and Contingencies	1,20	4,09	+2,89	..	..	..	45,54	49,78	+4,24	46,74	53,87	+7,13
Service of Debt	..	19	+19	..	..	..	11,98	12,28	+30	11,98	12,47	+49
Contributions to Depreciation, etc., Funds	..	..	..	..	..	..	..	4	+4	..	4	+4
Miscellaneous	..	..	..	..	..	..	5,22	1,82	—3,40	5,22	1,82	—3,40
Deduct—Probable Savings	..	..	..	..	..	..	..	—9,03	—9,03	..	—9,03	—9,03
Total	30,96	50,98	+20,02	8,19	11,65	+3,46	2,93,37	4,17,87	+1,24,50	3,32,52	4,80,50	+1,47,98

28. In this case also adjustments must be made before the expenditure of the two years can properly be compared. The more important items of unusual expenditure which occurred in 1924-25 were as follows :—

Group (see paragraph 6 above).	Sub-head.	Item.	Amount (in Rs. 000).
E	Establishment and other Charges paid to other Governments, etc.	Arrears of leave-salary paid to provincial Governments	1,86
E	Grants-in-Aid, etc.	Special grants made in Bangalore	2,67
E	Do.	Grants for water supply in the North-West Frontier Province	80
E	Works	Expenditure under Irrigation due to erosion at Dera Ismail Khan	4,26
E	Miscellaneous	Irrecoverable loans written off in Baluchistan	3,63
		Total	13,22

29. The noteworthy items of unusual and non-recurrent expenditure for which provision was made in the budget of 1929-30 are listed below :—

Group (see paragraph 6 above).	Sub-head.	Item.	Amount (in Rs. 000).
E	Pay of Officers	Irrigation Survey in the North-West Frontier Province and Baluchistan	45
E	Pay of Establishment	Ditto	39
E	Allowances, etc.	Ditto	38
E	Grants-in-Aid, etc.	Non-recurring grants under Education	1,24
E	Do.	Non-recurring grant to the Lady Hardinge Hospital	21
E	Works	Irrigation expenditure in Baluchistan	3,19
E	Do.	Irrigation expenditure in the North-West Frontier Province	2,00
E	Do.	Irrigation Survey in the North-West Frontier Province and Baluchistan	20
E	Do.	Outlay on the development of the Andaman Islands	4,30
E	Do.	Works under Medical Services in Bangalore	48
E	Supplies and Services and Contingencies.	Irrigation Survey in the North-West Frontier Province and Baluchistan	47
		Total	13,31

30. No important charges were transferred between the civil and the military and other budgets. Items in the civil budget for 1929-30 which were covered by increase of revenue were as follows :—

Group (see paragraph 6 above).	Sub-head.	Item.	Amount (in Rs. 000).
A	Assignments and Compensations	Cash assignments and grain allowances in Baluchistan, formerly taken by deduction from expenditure under Land Revenue, now credited as revenue	58
A	Ditto	Payments to the Governments of the United Provinces and the Punjab in respect of loss of still-head duty on liquor imported from those provinces	7,64
A	Supplies and Services and Contingencies.	Cost of opium supplied to the Excise Department, formerly credited to a remittance head of account, now credited as revenue under Excise	1,29
E	*Deduct* — Establishment and other Charges recovered from other Governments, etc.	Recoveries in the North-West Frontier Province under Medical Services, formerly deducted from expenditure, now credited as revenue	48

Group (see paragraph 6 above).	Sub-head.	Item.	Amount (in Rs. 000).
E	Allowances, etc.	Recoveries of copying fees under General Administration in the North-West Frontier Province, previously deducted from expenditure, now credited as revenue . . .	85
E	Supplies and Services and Contingencies.	Cost of priced publications of Government, credited as revenue under Stationery and Printing	7
E	Ditto	Recoveries in the Andamans under Jails and Convict Settlements, formerly credited as revenue, now deducted from expenditure .	—3,59
		Total	7,32

31. The next step is to re-construct Table E, taking into account the adjustments suggested in the three preceding paragraphs. When this is done, the table will read as follows :—

TABLE F.

——	A — Direct Demands on the Revenue.			D — Pensions, etc., of Government servants.			E — Civil Administration and Miscellaneous.			Total.		
	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.	1924-25.	1929-30.	Difference.
...f Officers . .	1,50	1,86	+36	..	..	..	23,58	28,70	+5,12	25,08	30,56	+5,48
...lishment .	9,32	10,86	+1,54	..	..	..	65,63	78,64	+13,01	74,95	89,50	+14,55
...ther ...er .	1,48	8	—1,40	..	..	..	14,45	19,85	+5,40	15,93	19,93	+4,00
...ment ...es re- ...other ...etc. .	..	—19	—19	..	..	..	—1,93	—2,05	—12	—1,93	—2,24	—31
...Honoraria, . .	1,98	2,49	+51	..	..	..	12,94	17,20	+4,26	14,92	19,69	+4,77
. .	..	..	..	8,19	11,65	+3,46	1,13	1,09	—4	9,32	12,74	+3,42
...Subsidies, . .	..	..	..	..	..	..	26,24	40,73	+14,49	26,24	40,73	+14,49
...nd Com- ...ons . .	37	52	+15	..	..	..	1,83	1,83	..	2,20	2,35	+15
. . .	15,11	22,86	+7,75	..	..	..	77,17	1,62,82	+85,65	92,28	1,85,68	+93,40
...es and Services and ...ontingencies . .	1,20	2,80	+1,60	..	..	..	45,54	52,83	+7,29	46,74	55,63	+8,89
...vice of Debt . .	..	19	+19	..	..	..	11,98	12,28	+30	11,98	12,47	+49
...ntributions to Depreciation, etc., Funds .	..	..	..	..	..	..	..	4	+4	..	4	+4
...Miscellaneous . .	..	..	..	..	..	..	1,59	1,82	+23	1,59	1,82	+23
...educt—Probable Savings	..	..	..	..	..	..	..	—9,03	—9,03	..	—9,03	—9,03
...Total . .	30,96	41,47	+10,51	8,19	11,65	+3,46	2,80,15	4,06,75	+1,26,60	3,19,30	4,59,87	+1,40,57

32. As in the case of the expenditure of the central Government proper, I shall discuss the outlay of the minor administrations under the three groups separately, working on the figures of Table F.

Expenditure of the Minor administrations —Group A ; direct demands on the revenue.

33. The more important variations under individual sub-heads are discussed below :—

(*a*) *Pay of Officers* . . +36

This growth is the combined result of minor increases, mainly under Forest in the North-West Frontier Province and the Andamans.

(*b*) *Pay of Establishment* . +1,54

The principal factors are the engagement of extra staff under Excise in the North-West Frontier Province to prevent the smuggling of *charas*, which is responsible for 21 ; additional staff, costing 25, employed as a result of the transfer of *Nazul* lands in Delhi from the control of the Municipality to that of Government ; the expansion of Forest establishments in the North-West Frontier Province (46) and minor increases of staff and accrual of increments everywhere (44).

(*c*) *Establishment and other Charges paid to other Governments, etc.* . . —1,40

The decline is due to a temporary lull in settlement operations in the North-West Frontier Province.

(*d*) *Allowances, Honoraria, etc.* . . . . +51

As much as 33 of the increase occurred under the head Land Revenue, being fairly equally divided between the North-West Frontier Province and Baluchistan. There was a growth of 15 under Excise. No particular cause for the increase is traceable, but it must be due, to some extent, to expansion of staff.

(*e*) *Works* . . . +7,75

The bulk of the increase represents Forest development in the Andamans.

(*f*) *Supplies and Services and Contingencies.* . +1,60

About 77 of the increase occurred under Forest, and is due largely to the development of the forests in the Andamans. A great part of the balance occurred under Excise, and is the result of the extension of activities, particularly in the North-West Frontier Province and Baluchistan.

34. Of the *net* increase of 10,51 under this group, nearly 74 *per cent.* is due to the development of Forest works, mainly in the Andamans. The five establishment heads taken together account for no more than 8 *per cent.*; while about 16 *per cent.* represents increased expenditure under Supplies and Services and Contingencies.

Expenditure of the minor administrations —Group D ; pensions of Government servants.

35. As already explained, the expenditure under this group is not a correct measure of the outlay on the pensions of retired servants of the minor administrations. A great number of such pensions must be disbursed from treasuries in other parts of India, since the majority of the administrations draws largely on other provinces for the personnel of its services. The apparent increase in the figures actually recorded in the table is not a true increase. It is due to a change of procedure under which, while the pensions of *ex-employés* of the Posts and Telegraphs Department are charged in the civil accounts of the provinces in which they draw them, the recov from that Department are credit the accounts of the Government o proper.

Expenditure of the minor administrati —Group E ; Civil Administration a Miscellaneous.

36. (*a*) *Pay of Officers* . +5,12

The following are the principal item which contributed to this increase :—

(*i*) There is a rise of 1,34 under Irrigation, due mainly to the expansion of staff in the North-West Frontier Province and Baluchistan. In the latter province, as much as 50 was provided in 1929-30 for an experimental and temporary staff.

(*ii*) In a growth of 96 under General Administration the principal factors were an increase of the pay of the Chief Commissioner of the North-West Frontier Province, minor increases of staff in Delhi and elsewhere, and the accrual of increments.

(*iii*) Under Administration of Justice, there was a rise of 72. About half of this was due to

the appointment of an additional Judicial Commissioner in the North-West Frontier Province; and 29 to the transfer from the head Political of the cost of an officer in Baluchistan.

(*iv*) An increase of 72 under Education is in the main the result of the five-year programme of development.

(*v*) A growth of 59 under Medical Services may be ascribed to the appointment of more highly paid officers in the North-West Frontier Province and to minor changes and the accrual of increments elsewhere.

(*b*) *Pay of Establishment* . +13,01

The following are among the more important factors contributing to the increase :—

(*i*) There was a growth of 3,50 under Police. A great part of this was due to the expansion of establishment in the North-West Frontier Province and to revision of pay in that province on Punjab lines. In Delhi also there was considerable expansion of staff, as well as revision of pay; and the Baluchistan budget contributed to the rise by the insertion of an excessive provision for leave-salary. These factors were partially counterbalanced by a nominal reduction of 1,74 in the Western India States Agency, due to an incorrect debit in the accounts of 1924-25.

(*ii*) Under Education, the five-year programme of development caused an increase of 2,25.

(*iii*) Increases of 1,34 under General Administration, 1,07 under Medical Services, 1,53 under Jails and Convict Settlements and 98 under Administration of Justice were due to general expansion of staff and accrual of increments in all the minor administrations.

(*iv*) Irrigation shows a growth of 74, due to the causes recorded against the sub-head Pay of Officers.

(*c*) *Establishment and other Charges paid to other Governments, etc.* . . +5,40

Of this increase, as much as 4,70 occurred under the head Civil Works, and represents increased payments to the Military Engineer Services and the New Capital budget in Delhi for work executed for the North-West Frontier Province and Baluchistan in the one case and for the province of Delhi in the other. These were the natural result of the expansion of the works programme in those areas.

(*d*) *Allowances, Honoraria, etc.* . . . . +4,26

This is the inevitable result of the expansion of staff in the various departments, which invariably leads to greater outlay on Allowances. Police, with 1,49; Irrigation, with 71: Jails and Convict Settlements, with 59; and Education, with 68, were the principal contributors.

(*e*) *Grants-in-Aid, etc.* . +14,49

A growth of 10,92 represents grants-in-aid payable under the five-year programme of educational development; while 3 lakhs in all were provided in the budget of 1929-30 for the improvement of water mains and the development of slum areas in Delhi city.

(*f*) *Works* . . . +85,65

The reduced figure of increase resulting from the adjustments described in paragraphs 28 to 30 above is almost entirely due to the expansion of expenditure under the head Civil Works. As already explained, the outlay recorded under that head in Table F includes the expenditure on buildings and communications under the head Frontier Watch and Ward in the North-West Frontier Province and Baluchistan, which should properly be a central charge. The amount of the provision made for such works in the budget for 1929-30 was 44,79 for the former and 7,61 for the latter administration; or a total of 52,40. Separate figures for charges of this kind in the accounts of 1924-25 are not available.

The expenditure of each minor administration on Civil Works is analysed in the memoranda printed in Part III and it is unnecessary to go into great detail in this part also. The percentage shares of the four administrations concerned in the total increase under the head are approximately as follows :—

North-West Frontier Province . .	40
Baluchistan	17
Delhi	39
Ajmer-Merwara	4
Total . . .	100

The bulk of the increase in the North-West Frontier Province and Baluchistan is due to the requirements of frontier protection ; though the completion of the new central jail in Baluchistan necessitated provision of 7½ lakhs. The growth in Delhi is almost entirely due to the development of the New Capital.

(*g*) *Supplies and Services and Contingencies* . +7,29

The greater part of the increase occurred under the head Jails and Convict Settlements. Some part of this was due to the development of the Andaman Islands as a free settlement, and the balance principally to the growth of the gaol population in the North-West Frontier Province, and, to a less extent, in Baluchistan. In addition, there was a rise of 91 under Administration of Justice and of 88 under Education, distributed over the administrations.

(*h*) Deduct—*Probable Savings* . —9,03

This deduction must be borne in mind when considering the increases recorded against the other sub-heads in Table F.

37. Omitting from consideration the provision for probable savings, the gross increase under this group of account heads amounts to 1,35,63. Of this, Works contribute about 63 *per cent.*, the five sub-heads relating to emoluments of Government servants 20 *per cent.* and Grants-in-Aid, mainly under Education, 11 *per cent.* The growth under the sub-heads dealing with *personnel* was accelerated by very extensive additions to establishment and revisions of pay ; while the accrual of increments played a considerable part in bringing it about. Separate figures for each group of heads under the minor administrations are not available, but in the three groups taken together the effect of the accrual of increments was to increase the budget provision of 1929-30 over the expenditure of 1928-29 by about 62 under Pay of Officers and 69 under Pay of Establishment. If this is a fair measure of the annual growth from this cause, it must have led, during the six years' period, to an increase of nearly 8 lakhs of rupees. It must, however, have been to some extent set off by the effect of the retirement of Government servants who had reached the higher stages of the time-scales and their replacement by new recruits drawing far less pay.

J. E. C. JUKES.

PART II

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Note.—In this part, unless the context indicates to the contrary, all sums which are not preceded by the sign "Rs." should be taken as representing thousands of rupees.

Account No. 1.—Customs.

The following table shows the expenditure on the collection of Customs revenue in each of the six years under review. For convenience of reference, the revenue collected is given at the foot of the table and the *net* revenue deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
CHARGES IN INDIA.								
Sea Customs.								
Pay of Officers . .	6,32,163	6,49,034	6,79,885	6,94,199	6,88,978	7,50,095	1,17,933	..
Pay of Establishment.	40,89,189	42,03,592	43,17,140	43,96,592	44,73,146	47,41,991	6,52,802	..
Deduct—Contributions and other recoveries.	—67,449	—73,286	—76,447	—58,606	—45,021	—54,367	13,082	..
Establishment charges paid to other Governments, etc. . .	3,43,806	1,24,143	1,46,826	1,55,770	1,49,770	1,68,100	..	1,75,706
Allowances, Honoraria, etc.	11,93,233	12,06,045	11,75,487	12,42,433	12,37,237	12,95,441	1,02,208	..
Supplies and Services and Contingencies .	4,22,616	5,60,856	4,18,588	5,20,778	5,24,951	5,53,250	1,30,634	..
Grants-in-Aid, etc. .	73,500	78,260	76,468	1,01,054	2,08,060	3,46,760	2,73,260	..
Deduct—Probable Savings . .	..	..	..	..	..	—98,000	..	98,000
Land Customs . .	1,64,865	2,19,994	2,23,794	2,49,787	3,09,801	3,27,730	1,62,865	..
Compensations . .	6,04,275	9,85,717	9,79,382	9,87,290	16,11,198	17,63,000	11,58,725	..
Cotton Excise Establishments . . .	56,979	60,311	31,229	49	..	..	..	56,979
Charges in England .	1,45,135	1,22,249	1,15,554	1,91,220	2,00,658	1,88,000	42,865	..
Loss by Exchange .	53,978	40,117	39,318	968	303	..	..	53,978
Total .	77,12,290	81,77,032	81,27,224	84,81,534	93,59,081	99,82,000	26,54,373	3,84,663
						Net Increase .	22 69,710	
Customs Revenue .	45,75,31,516	47,77,95,049	47,38,10,721	48,21,41,872	49,28,00,804	51,21,77,000	5,46,45,484	..
Net Revenue . .	44,98,19,226	46,96,18,017	46,56,83,497	47,36,60,338	48,34,41,723	50,21,95,000	5,22,75,774	..

2. It will be seen that the apparent cost of collection has risen by 22,70, while the revenue collected has increased by 5,46,45. From the actual figures of the statement, it would appear that the percentage of cost of collection to revenue has risen from 1·7 to 1·9, but, as will be shown below, an inference of this kind would not be entirely correct.

3. The more important variations under individual sub-heads are discussed below:—

(*a*) *Pay of Officers.*—Of the total increase of 1,18, a sum of 42 is ascribed to the expansion of staff and the balance to the effect of increments and the grant of Lee concessions. The new posts created during the period were—

(i) an additional Assistant Collector in Bombay;

(ii) a Chemical Examiner at Bombay; and

(iii) Assistant Chemical Examiners at four ports.

(*b*) *Pay of Establishment.*—The total increase has been 6,53. Of this, about 3,91 is the result of expansion of establishment, owing to the increased bulk and complexity of the work to be performed; about 1,14 is due to revision of pay; and the balance is ascribed to the accrual of normal increments.

(*c*) *Deduct—Contributions, etc.*—The decrease of 13 under this head is the *net* result of the cessation of a recovery previously made from the Government of Bengal on account of combined Customs and Excise testing stations in Calcutta and of the inception of recoveries from

certain other Governments for similar work. From 1927-28, the Excise work in Bengal ceased to be performed by the Customs Department. The balance of the recoveries under this head is received from private bodies, mainly in Bombay, on account of Customs establishment employed at private warehouses.

(*d*) *Establishment charges paid to other Governments, etc.*—There has been a decrease of 2,44 owing to the decision that the Salt Department should, in view of the many services rendered gratuitously to it by the Customs Department, meet the entire cost of the combined Salt and Customs establishment in the Bombay Presidency. On the other hand, the payments made to the Posts and Telegraphs Department for clearing dutiable postal articles have risen by 48: and a new payment, which has since ceased, of 17 was made in 1929-30 to the Madras Government for the services of its Chemical Examiner.

(*e*) *Allowances, Honoraria, etc.*—Of the increase of 1,02, as much as 96 is purely nominal. It represents a growth of overtime and holiday allowances, which are recovered from merchants and credited as revenue.

(*f*) *Supplies and Services and Contingencies.*—A sum of 69, out of the growth of 1,31, is a nominal increase. It represents provision for the cost of priced publications of Government, and is covered by corresponding revenue under the head Stationery and Printing. The balance of the increase is due to the general growth of work and establishments.

(*g*) *Grants-in-Aid, etc.*—The entire increase of 2,73 is nominal only. It represents the disbursement, to charitable and other institutions, of the amount by which overtime fees paid by merchants exceed the overtime allowances disbursed to the staff. It is therefore entirely covered by revenue specifically collected for the purpose.

(*h*) *Land Customs.*—Of the total increase of 1,63, as much as 1,00 is due to the employment of increased staff on the borders of French India to meet the growth of smuggling; while 16 is the cost of petty construction and repairs in the Madras Presidency. A further charge of 23, on account of the Duzdap and Baluchistan frontiers, has been transferred from the head Political.

(*i*) *Compensations.*—An increase of 11,55 represents increased payments to the Cochin and Travancore States as their share of increased revenue collected at their ports. The true growth of expenditure under this sub-head is therefore 4 only.

(*j*) *Cotton Excise Establishment.*—The decrease of 54 under this sub-head is due to the abolition of the Cotton Excise Duties.

(*k*) $\frac{\text{Charges in England}}{\text{Loss by Exchange}}$.—These two sub-heads, taken together, show a decrease of 11. This is almost entirely due to the fact that the average exchange rate of the year 1924-25 was in the neighbourhood of 1*s.* 5$\frac{1}{2}$*d.* There is a fall of less than £500 in the actual sterling charges.

4. In appraising the true growth of expenditure under this head, it is necessary to leave out of account the following items which are covered by increased revenue:—

A. Allowances, Honoraria, etc.	96
B. Contingencies . . .	69
C. Grants-in-Aid, etc. . .	2,73
D. Compensations . .	11,55
	15,93

It is unnecessary to take credit for the increased payment of 48 made to the Posts and Telegraphs Department and credited as revenue of that Department, as the latter must be at least partially set off by increased departmental expenditure. Account must, however, be taken of a transfer (E) of 2,44 to the Salt Department budget, and (F) of 23 from the Political budget to this head. The true increase is therefore 22,70 + 2,44—15,93 —23, or 8,98. This may be ascribed, in the main, to the development in bulk and complexity of the work of the Customs Department, which has necessitated expansion of appraising and preventive staff and improvement of its conditions of service.

5. In deducing from the figures of the budget for 1929-30 the percentage borne to revenue collected by the cost of collection, it is necessary to subtract from both the revenue collected and the cost of collection items A, C and D in the foregoing paragraph; to add item E to the cost of collection; and to deduct item B from that cost. As the result of this adjustment, the *net* revenue becomes 51,07,53: the *net* cost of collection 86,33; and the percentage rather under 1·7; which is less than the corresponding figure for 1924-25.

Account No. 2.—Taxes on Income.

The following table sets forth the expenditure under this head in each of the six years under review. For convenience of reference, the revenue collected is shown at the foot of the table and the *net* revenue deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
CHARGES IN INDIA.								
Pay of Officers .	18,52,202	21,48,225	23,47,366	24,96,891	25,72,370	28,87,228	10,35,026	..
Deduct—Share transferred to head Opium . .	..	—18,876	—19,500	—20,861	—17,327	—18,000	..	18,000
Pay of Establishment . .	18,90,205	20,17,636	22,17,298	24,22,113	25,91,932	29,03,752	10,13,547	..
Establishment charges paid to other Governments .	11,15,479	3,62,370	2,49,756	2,58,510	1,90,266	34,180	..	10,81,299
Allowances, Honoraria, etc. . .	4,84,604	5,54,642	5,55,130	5,85,995	6,37,161	6,37,512	1,52,908	..
Supplies and Services and Contingencies . .	5,86,220	6,99,448	7,11,123	7,31,572	7,51,621	8,00,590	2,14,370	..
Grants-in-Aid, etc. .	..	..	4,307	4,947	5,232	1,800	1,800	..
Works . . .	..	..	1,676	1,667	14,093	2,500	2,500	..
Deduct—Probable Savings . .	..	..	..	..	..	—1,22,562	..	1,22,562
CHARGES IN ENGLAND	78,793	81,606	80,925	74,890	1,50,326	1,11,000	32,207	..
LOSS BY EXCHANGE	30,028	26,851	27,540	385	241	..	..	30,028
TOTAL COST OF COLLECTION . .	60,37,531	58,71,902	61,75,621	66,56,109	68,95,915	72,38,000	24,52,358	12,51,889
						Net Increase	12,00,469	
Revenue from Taxes on Income . .	16,01,48,253	15,85,93,439	15,64,96,338	15,06,39,243	16,70,33,999	16,59,60,000	58,11,547	..
Net Revenue . .	15,41,10,722	15,27,21,537	15,03,20,717	14,40,83,134	16,01,38,084	15,87,22,000	46,11,279	..

2. It will be seen that, during the six years' period, the gross cost of collecting Taxes on Income has risen by 12,00 and the *net* revenue collections by 46,11. The principal feature of the period has been the institution of a central staff to perform the work of collection, which was, in many areas, previously undertaken by the local Governments as an agency function. The new agency is more expensive, but it is expected to prove more efficient. The actual growth of *net* revenue is misleading. Owing to trade depression, the gross collections of the year 1924-25 fell short by approximately 2 crores of those of each of the two previous years, and by over 6 crores of the collections of 1921-22. There were no important changes in the rates of taxation during the period under review.

3. The more important variations under individual sub-heads are examined below.

(*a*) *Pay of Officers.*—The increase of 10,35 is one of the results of the institution of a regular central staff, and a part of the reduction of 10,81 under Establishment charges paid to other Governments must be set off against it. A steady growth of expenditure under this sub-head for some years to come is, however, inevitable. Omitting the Commissioners and Assistant Commissioners of Income-Tax, the majority of the officers of the department are on time-scales of pay which take from 12 to 24 years to rise from their minimum to their maximum; so that the pay-bill is far from having reached stability. There are apparently curious inequalities in the periods covered by the time-scales in different provinces. Thus, an Income-Tax Officer in Madras and Bombay can rise to the maximum of his scale in 13 years; whereas the corresponding officer in Bihar and Orissa must serve for 20 years before reaching the same maximum. Again, a Mofussil Examiner in Bombay rises to his maximum after 5 years; while, if he first serves as an Assistant Examiner, he can reach the top of that scale also in 7 years. In Burma, where there is no grade of Assistant Examiner, the period of rise for an Examiner is 20 years. The task of comparison is, however, complicated by the variations in the nomenclature adopted in various provinces. Bombay, for example, has no less than 9 varieties of officers, while the United Provinces are content with 4 and Assam with 3.

(b) *Deduct—Share transferred to the head Opium.*—This deduction of approximately 18 represents a portion of the pay and passage contribution of the Commissioner of Income-Tax in the United Provinces; who is, in addition to his other duties, Opium Agent at Ghazipur.

(c) *Pay of Establishment.*—Here also, as in the case of Pay of Officers, the growth of 10,16 must be put down to the policy of centralisation of administration, and credit against it must be taken for part of the saving under Charges paid to other Governments. Here also there will be a steady increase of expenditure for years to come. Members of the clerical grades will take, on the average, longer than officers to rise to the maximum of their scales, though greater wastage of staff may be expected. Here also there are apparent anomalies in the rates of pay of the staff of the Income-Tax Officers, which constitutes the bulk of the establishments. In certain provinces, notably the United Provinces, Bihar and Orissa and the Central Provinces, the rate of increment allowed in lower time-scales of pay seems to be unduly high; enabling the clerks who draw it to reach the maximum in a comparatively short period. Again, in the Bihar and Orissa mofussil offices, the number of clerks in the lowest grade is exactly one-third of the total; in the corresponding offices of Bengal, it comprises 88 *per cent.* of the total clerical establishment. There would, on the whole, appear to be some scope for standardisation; particularly, perhaps, in the matter of rates of increment.

(d) *Establishment charges paid to other Governments.*—As already explained, the decrease of 10,81 is due to the policy of centralising administration, instead of relying upon the agency of local Governments. The decrease is more than set off by the very considerable growth of expenditure under Pay of Officers and Establishments.

(e) *Allowances, Honoraria, etc.*—The growth of 1,53 is more than covered by the increase under travelling allowance due to the expansion of staff. Expenditure on this object has grown from 3,15 in 1924-25 to 4,95 in 1929-30 (budget). There has been a decrease of 65 under commission paid to village officials in the Central Provinces, and a small increase under other forms of compensatory allowances.

(f) *Supplies and Services and Contingencies.*—The high percentage of expenditure under this sub-head to the total outlay of the department is a noticeable feature of this account. It is in great part due to the large amounts paid as rent for hired office buildings, and to the heavy outlay on postage caused by the issue by registered letter of demands on assessees. The budget of 1929-30 provided 2,71 under the former and 1,96 under the latter head, making a total of 4,67 out of the gross figure of 8,01. The increase of 2,14 may be put down almost entirely to the cost of providing office accommodation for the newly employed staff.

(g) *Grants-in-Aid, etc.*—This new item of 2 represents passage contributions in connection with Lee concessions.

(h) *Works.*—This also is a new item, representing provision for petty construction and repairs in respect of buildings taken over from the Opium Department in the United Provinces.

(i) *Charges in England and Loss by Exchange.*—The figures under these two sub-heads, taken together, are approximately stable, and call for no remarks.

4. The progress of expenditure under this head may be summarised by stating that it has grown by 12 lakhs during the period under review; owing, almost entirely, to the policy of instituting a central staff to perform the duties of collection, a large part of which was previously undertaken by local Governments as agents of the Government of India. It is claimed that the change has led to far greater efficiency in collection, and that the Department is now so organised as to be in a position to handle a much larger bulk of revenue when trade conditions improve. The increase of expenditure has not yet reached its maximum, but must expand for some years to come under the influence of normal time-scale increments. There seems to be some scope for greater standardisation of the pay of officers and establishments.

Account No. 3.—Salt.

The following table exhibits the expenditure under this head in each of

the six years under review. For convenience of reference, the figures of gross Salt revenue are shown at the foot of the table and the *net* revenue deduced.

	Actuals. 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget. 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
CHARGES IN INDIA.								
Working Expenses.								
Direction . .	38,19,543	36,34,720	35,65,023	36,66,759	38,22,503	39,69,890	1,50,347	..
Manufacture . .	16,85,013	12,62,534	11,60,127	14,19,126	14,04,876	15,74,390	2,60,947	..
Weighment . .		1,25,521	69,283	1,38,545	3,58,290	3,71,570		
Stores and Workshop Establishment . . .	6,128	29,292	—50,798	—99,623	—80,147	—77,190	..	83,318
Medical Establishment . .	..	29,566	26,037	26,810	26,407	27,560	27,560	..
Contribution to Depreciation Fund .	2,59,690	2,53,815	2,65,628	3,63,665	2,91,526	2,99,000	39,310	..
Cost of Accounts and Audit .	31,302	48,589	52,967	55,933	63,134	60,200	28,898	..
Pensionary charges . .	..	80,303	79,674	78,156	78,537	78,000	78,000	..
Establishment charges payable to other Governments	4,27,414	8,38,850	5,03,022	5,02,499	3,83,024	3,52,613	..	74,801
Deduct — Amounts recoverable from other Governments, Departments, etc. .	—4,37,703	—18,194	—17,547	—15,222	—13,584	—14,263	—4,23,440	..
Total Working Expenses . .	57,91,387	62,84,996	56,53,416	61,36,648	63,34,566	66,41,770	10,08,502	1,58,119
						Net Increase	8,50,383	
Salt Purchase and Freight .	14,47,144	10,24,578	12,89,680	10,20,848	7,01,672	10,58,500	..	3,88,944
Preventive Establishment . . .	3,88,465	3,74,244	3,68,772	3,94,506	3,92,049	3,98,810	10,345	..
Works . .	3,78,979	3,86,533	4,22,355	4,36,040	3,60,805	4,20,100	41,121	..
Interest on Capital .	3,01,437	3,71,736	3,89,145	4,02,688	4,97,169	4,74,000	1,72,563	..
Compensations .	36,37,463	40,27,103	38,17,789	41,02,712	39,49,109	40,38,820	4,01,357	..
Miscellaneous . .	—12,103	..	—10,099	..	..	..	12,103	..
Deduct—Probable Savings . .	..	..	..	..	..	—1,14,000	..	1,14,000
Reduction made by the Legislative Assembly .	..	..	..	..	..	—100	..	100
Total Revenue Charges in India .	1,19,33,072	1,24,69,190	1,19,31,058	1,24,93,442	1,22,35,370	1,29,17,900	..	..
						Net Increase	9,84,828	
Capital outlay in the Northern India Salt Revenue Department charged against Revenue .	7,19,538	7,18,044	4,80,066	49,518	57,776	3,75,000	..	3,44,538
Charges in England	63,132	27,859	48,267	1,56,960	90,177	1,05,000	41,868	..
Loss by Exchange .	24,516	9,110	16,418	679	130	..	..	24,516
Grand Total .	1,27,40,308	1,32,24,203	1,24,75,809	1,27,00,599	1,23,83,453	1,33,97,900	..	..
						Net Increase	6,57,592	
Revenue from Salt .	7,39,04,860	6,32,96,778	6,69,81,053	6,63,17,979	7,59,92,704	6,34,64,000	..	1,04,40,860
Net Revenue . .	6,11,64,552	5,00,72,575	5,45,05,244	5,36,17,380	6,36,09,251	5,00,66,100	..	..
						Net Decrease		1,10,98,452

2. It will be seen that the gross expenditure has grown by 6,58 during the period, while the *net* revenue has fallen by 1,10,98. There has been no change in the Salt duty during the six years. The principal variations under expenditure sub-heads are examined below.

Direction +1,50

This is not a true figure of increase. It must be examined in conjunction with the charges under the two sub-heads "Establishment Charges payable to other Governments" and "*Deduct*—Amounts recoverable from other Governments, etc.", in order to see in proper perspective the results of the centralisation of Salt administration in the hands of a staff directly subordinate to the Government of India. The principal changes under the sub-head "Direction" itself are as follows:—

+63 in Madras. There has been an actual reduction here. In 1924-25, the Central Government paid a contribution of 90 to the local Government, which performed the work through a combined Salt and Excise establishment. The present contribution is 2 only, while the cost of the centralised staff is 63.

+12 in Bengal. This is the result of minor expansions of staff, etc.

+1,75 in Burma. This also is the result of centralisation. In 1924-25, the work was done through a combined Salt and Excise staff, towards which the Central Government paid a contribution of 64. This sum was admittedly inadequate, and the contribution was actually raised in 1925-26 and fixed at 1,47 for the previous year. The present establishment thus costs 28 more than the contribution of 1925-26.

—1,00 in Bombay. In 1924-25, the Central Government received a contribution of 1,86 from the Bombay Government for Excise work done by a central establishment. With the separation of the Salt staff in the Presidency proper, this contribution ceased; while the Government of India now pays the local Government 73 for work done by a provincial establishment in Sind. The true increase is thus 1,86+73 —1,00 or 1,59, of which about 1,16 represents the cost of the re-imposed Viramgam Customs Line. The equity of charging the cost of this Line to the Salt budget appears to be open to question.

Manufacture and Weighment +2,61

This increase is nominal only. Recoveries of despatch charges, which were previously taken in reduction of expenditure, are now brought to account as revenue. They amounted to 2,55 in 1924-25 and to 2,75 in the estimates of 1929-30. The apparent increase of expenditure is thus more than covered by a specific addition to revenue.

Stores and Workshop Establishment —83

The decrease is the net result of a fall of 20 in the cost of establishment and an increase of 2,57 in the recoveries from other branches of the department; partially set off by a growth of 1,82 under Supplies and Services. The decrease really represents a decrease in the gross charges under Direction and Manufacture and Weighment.

Medical Establishment. +28

This is not a new charge. It was previously debited to the sub-head Manufacture.

Contribution to Depreciation Fund +39

This increase is the inevitable result of the heavy capital outlay of the period: the amounts of assets on which depreciation must be provided having increased accordingly.

Accounts and Audit +29

This increase is a natural result of the centralisation of the department and of the elaboration of accounts, on *quasi*-commercial lines, which has taken place during recent years.

Pensionary Charges +78

This increase is nominal only, being a transfer from the head Superannuation Allowances and Pensions. In 1924-25 the pensionary charges of the Salt Department actually amounted to 1,01, but

they were not debited to the Salt grant. The decrease is due to a fall in the percentage rate charged on the cost of establishment.

Establishment charges payable to other Governments —75

The reasons for the decrease have been explained above under "Direction". The principal changes were decreases of 88 and 64 respectively under Madras and Burma, and a growth of 73 under Bombay.

Deduct—Amounts recoverable from other Governments, Departments, etc. +4,23

The principal decreases in recoveries have occurred in Bombay. As already shown under "Direction", the contribution of 1,86 originally paid by the local Government to the cost of the "combined" central establishment has ceased. In addition, a contribution of 2,39, which was made by the Customs Department in 1924-25 to the cost of the combined staff, has now been discontinued; in view of the fact that the Customs Department renders, in other spheres, gratuitous services to the Salt Department which counterbalance the services rendered to the former by the combined staff. This sum of 2,39 is thus a transfer from the Customs to the Salt budget.

Salt Purchase and Freight —3,89

The principal factors in the reduction are:—

2,01 Smaller payments to Agencies at Kharagoda, due to smaller production and decrease of rate *per* maund.

— 50 Decrease of storage and railway haulage charges on smaller production at Kharagoda.

— 98 Stoppage of purchase of Kuda salt.

— 52 Saving of charges at Maurypur owing to the opening of new private salt works in Sind.

rks +41

he increase is due to expenditure in as on renewing buildings, etc., ed by cyclones.

Interest on Capital. +1,73

The increase is due to the increased capital invested in "Works" of the Department during the period. The bulk of it may be classed as a true increase, although the Works were actually financed out of revenue; seeing that the money spent, if available for other purposes, would have been expended on capital projects in place of a certain amount of borrowed money. The budget of 1929-30 provided, however, 56 as interest on stocks of salt held, a new charge since 1924-25, and this is a mere transfer from the Interest to the Salt head of account.

Compensations. +4,01

The growth is almost entirely due to the increased payments due to the Jodhpur and Jaipur Darbars on account of increased output of salt from the Sambhar works, which lie within the territory of the former State.

Capital Outlay charged to Revenue —3,45

The decrease is due to the slackening of the programme of construction in Northern India.

3. It is now possible to summarise the events of the period under review. To the increase of 6,58 shown in the table should be added, in order to deduce the true increase, a figure of 3,45; being the amount by which the capital expenditure of the last year fell short of that recorded in the first year of the series. The gross increase of revenue expenditure proper thus becomes 10,03. Of this, 2,75, the despatch charges under Manufacture and Weighment, are covered by specific increase of revenue; while 2,39, the former recovery from Customs, 78 under Pensionary Charges, and 56 under Interest are transfers from other budgets. This leaves a true increase of 3,55; which again may be reduced by 83, the amount by which the payment made to Burma in 1924-25 was subsequently recognised to have fallen short of equity. There is thus an increase of 2,72 for explanation. Its principal causes may be summarised as follows:—

+36 is the *net* cost of replacing by a central staff the agency of local Governments.

+1,55 is the true additional charge for depreciation and interest on debt.

+1,16 is the approximate cost of the re-imposition of the Viramgam Line.

+41 is the *net* increase in the cost of non-recurring works in Madras.

—83 represents the distribution over other sub-heads of the cost of Stores and Workshop establishment.

It is fair to set off against the increase under Compensations the fall in expenditure under Salt Purchase and Freight in Bombay; since the increased production at Sambhar has synchronised with the fall of production on the Kathiawar frontier and in Sind.

Account No. 4.—Opium.

The following table sets forth the expenditure under this head in each of the six years under review. For convenience of reference, the gross revenue from Opium is shown at the foot of the table and the *net* revenue deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Expenditure in India.								
Payments for Malwa Opium . .	57,98,344	45,76,049	21,68,957	30,12,669	13,51,021	27,00,000	..	30,98,344
Payments to cultivators in the United Provinces . .	1,56,83,637	1,4[illegible],53,985	64,28,653	43,95,745	28,92,644	31,96,900	..	1,24,86,737
Ghazipur Opium Factory . .	6,02,643	7,81,469	4,33,898	4,11,122	4,17,845	4,40,323	..	1,62,220
Superintendence and other Establishments in the United Provinces.	12,16,591	10,17,175	8,14,522	6,28,707	5,69,903	5,84,043	..	6,32,548
Works . .	1,19,977	1,27,213	59,861	94,357	59,049	36,000	..	83,977
Miscellaneous charges in Calcutta .	16,892	17,822	16,370	28,804	10,895	20,714	3,822	..
Other Opium Agencies and Establishments . .	8,157	5,222	4,802	5,053	6,001	6,020	..	2,137
Compensations	53,678	54,625	55,508	47,492	48,189	55,000	1,322	.
Stationery and Printing . .	..	..	..	6,025	10,422	9,000	9,000	.
Expenditure in England.								
Stores .	3,070	3,190	2,278	5,991	18,410	2,000	..	1,070
Establishments	38,746	82,460	43,749	64,666	1,10,661	51,000	12,254	.
Loss by Exchange .	15,392	27,934	15,687	194	228	..	..	15,392
Grand Total .	2,35,57,127	2,11,47,143	1,00,14,284	87,00,825	54,95,268	71,01,000	26,398	1,64,83,926
					Net Decrease			1,64,56,127
Revenue from Opium	3,79,76,177	4,14,99,662	4,33,13,749	3,94,52,354	3,26,59,423	3,05,57,000	..	74,19,177
Net Revenue .	1,44,19,050	2,03,52,519	3,32,69,465	3,07,51,529	2,71,64,155	2,34,56,000	90,36,900	.

2. It will be seen that there has been, during the period, a fall in expenditure by 1,64,56 and an increase of *net* revenue by 90,37. Of the fall in expenditure, there are two main causes. The first of these is the policy of steadily reducing, until they are finally extinguished in 1934-35, the exports of opium to foreign countries, which has been adopted as the definite policy of the Government of India. This has led to a considerable reduction of poppy cultivation in the United Provinces and of purchases of crude opium in Malwa. The second cause is the fact that it has been found possible to reduce the price paid for raw opium in both the United Provinces and Malwa. The reductions under the various sub-heads are mainly due to these two causes, but they are examined in more detail below.

Payments for Malwa Opium —30,98

Payments to cultivators in the United Provinces —1,24,8

The decreases in these two cases directly due to the two causes set above.

Ghazipur Opium Factory.

Here also the decrease is due to the decline of manufacture for export. The principal fall is under the unit Supplies and Services. The expenditure on establishment remains practically unchanged.

Establishments in the United Provinces. —6,33

The fall is directly due to the decrease of poppy cultivation in the provinces.

Stationery and Printing. +9

The increase is nominal only. Up to the year 1927-28, the expenditure was charged to the head Stationery and Printing.

3. The decline in *net* revenue which commenced from 1927-28 synchronised with the inception of the programme of reduced export. In view of the accumulated stocks of opium, the reduction of cultivation and of purchase started two years earlier with considerable advantage to the *net* revenue. From 1928-29, a reduction in the price charged to provinces for excise opium is another factor operating to reduce revenue. It may be expected that the *net* revenue from Opium will be reduced to less than half a crore of rupees by the time that export finally ceases in 1935.

Account No. 5.—Land Revenue.

The following table exhibits the expenditure under this head in each of the six years under review. For convenience of comparison, the total Land Revenue of the minor administrations under the Central Government is shown at the foot of the table, and the *net* revenue deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Charges in India.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Charges of Administration .	2,38,465	2,60,953	2,75,696	2,76,232	2,87,556	2,98,600	60,135	..
Survey and Settlement .	3,14,060	4,06,715	4,07,903	2,90,187	2,56,154	1,72,000	..	1,42,060
Records .	4,73,783	4,69,951	4,72,886	4,74,584	4,77,610	5,07,700	33,917	..
Commission on Land Revenue Collections, etc.	26,249	25,059	26,574	24,378	28,540	26,900	651	..
Assignments and Compensations	63,611	63,543	62,529	73,653	1,24,013	1,23,300	59,689	..
Works . .	..	..	..	..	15,621	17,500	17,500	..
Expenditure in England.								
Leave Salary, Deputation Pay, Overseas Pay, etc. .	3,364	3,134	3,215	4,800	12,529	9,000	5,636	..
Loss by Exchange	1,363	1,026	1,095	21	31	..	..	1,363
Total .	11,20,895	12,30,381	12,49,898	11,43,855	12,02,054	11,55,000	1,77,528	1,43,423
					Net Increase .		34,105	
Gross Receipts under Land Revenue .	37,80,748	38,52,885	41,00,434	40,90,615	38,31,605	39,21,000	1,40,252	..
Net Land Revenue	26,59,853	26,22,504	28,50,536	29,46,760	26,29,551	27,66,000	1,06,147	..

2. It will be seen that the expenditure shows an increase of 34 during the period, while the *net* receipts have grown by 1,06. The principal causes of variation in expenditure are brought out below :—

Charges of Administration. +60

The principal factors in the increase are the following :—

+12 represents an increase in the North West Frontier Province, on account of provision for Forest conservancy on the Buner border.

+19 is the increase in Baluchistan; of which 9 is on account of increased provision for leave-salary, and 7 is a growth under allowances due mainly to a change in travelling allowance rates.

+25 occurred in Delhi, mainly on account of the transfer of the control of certain Nazul lands from the Municipality to Government. This is set off by an increase of receipts under the revenue head.

Survey and Settlement —1,42

The decrease is due to a temporary lull in settlement operations in the North West Frontier Province, which may be expected to continue for a few years longer.

Land Records +34

The chief factors in this increase are a growth of 15 in the North West Frontier Province, due to the employment of additional subordinate staff, and of 17 in Baluchistan due partly to increase of staff, partly to the grant of compensatory allowances and partly to increased provision for leave-salary.

Assignments and Compensations +60

This increase is nominal only. It occurred under Baluchistan, and is due to a change of classification; certain payments, which were formerly brought to account by deduction from revenue, being now correctly recorded as expenditure proper and the revenue credited gross.

Works. +17

This also is a nominal increase. The expenditure on petty construction and repairs was previously brought to account under the head General Administration.

3. In order to appraise the true growth of expenditure under this head, it is necessary to omit from consideration the items of 60 in Baluchistan and 25 in Delhi which are covered by a corresponding increase of revenue, and the expenditure of 17 on Works which represents a transfer from another head. The true expenditure is thus reduced by 1,02, and there is a *net* decrease of 67 during the period under review. As already explained, the main cause of this is a temporary decrease of 1,42 under Survey and Settlement in the North West Frontier Province. The minor increases of 75 are more than covered by the growth of gross receipts of Land Revenue.

Account No. 6.—Excise.

The following table shows expenditure under this head in the six years under review. For reference, the figures of revenue have been set out at the the table and the *net* revenue ded

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Charges in India.								
District Executive Establishment . .	1,75,515	1,95,037	2,02,271	2,61,610	2,18,512	2,27,730	52,215	..
Distilleries .	18,231	16,293	16,165	23,248	19,100	14,200	..	4,031
Compensations .	32,326	7,26,541	7,24,570	8,55,659	7,97,359	7,96,700	7,64,374	..
Excise Bureau .	..	..	..	..	58,357	63,300	63,300	..
Cost of Opium, etc. . .	..	1,92,062	81,541	91,501	4,07,259	5,40,070	5,40,070	..
Works . .	..	..	..	8,165	2,391	1,000	1,000	..
	2,26,072	11,29,933	10,24,547	12,40,183	15,02,978	16,43,000	14,20,959	4,031
Expenditure in England.								
Leave Salary and Sterling Overseas Pay .	1,665	3,600	15,887	4,388	4,800	5,000	3,335	..
Loss by Exchange	559	1,179	5,397	18	7	..	..	559
Total . .	2,28,296	11,34,712	10,45,831	12,44,589	15,07,785	16,48,000	14,24,294	4,590
						Net Increase .	14,19,704	
Excise Revenue.	41,99,239	42,20,576	41,13,217	52,14,829	52,71,614	49,44,000	7,44,761	..
Net Revenue from Excise . .	39,70,943	30,85,864	30,67,386	39,70,240	37,63,829	32,96,000	..	6,74,943

2. It will be seen that there has been an increase in expenditure of 14,20 and a decrease in *net* revenue of 6,75. The principal factors leading up to these variations are explained below.

District Executive Establishments. +52

The main item of increase under this head is expenditure of 21 in the North West Frontier Province on the employment of additional staff to prevent the smuggling of *charas*. There is further new expenditure of 6 in the same province on the maintenance of a bonded warehouse for *charas* in Chitral. The balance is the result of minor increases in the various local administrations, due to expansion of staff, revision of pay and the accrual of increments.

Compensations. +7,64

There is a minor increase of 10 in the North West Frontier Province, in the shape of compensation paid to H. H. the Mehtar of Chitral for the establishment of a bonded warehouse in his territory; counter-balanced by a minor decrease of 10 in Central India due to the reduction, under a revised agreement, of the compensation payable to Indore.

The full increase of 7,64 is due to the [illegible]ral adoption of the new rule that the liquor, etc., consumed in a [illegible] should accrue to the [illegible]ation of that province. [illegible]his involves a breach [illegible]inciple on which the Meston [illegible]ment was based, the Punjab and [illegible]nited Provinces, which supply [illegible] to Delhi and the North West [illegible]tier Province, claimed and were [illegible]ated compensation for the loss of [illegible]nue involved. The increased revenue due to the change did not, for certain reasons, accrue in full to the Central Government until 1927-28; but from that year the increased expenditure might be expected to be balanced by enhanced revenue. The compensation granted was, however, based on the revenue accruing at the time of the Meston Settlement; and the budget estimates of 1929-30, which foresaw a considerable decline in liquor consumption in the majority of the central areas, contemplated some loss to the Central Government arising out of the change.

Excise Bureau. +63

The cost of the Bureau is charged against Rajputana in the accounts. It was established in the year 1928-29 in order to check the smuggling of opium from the States of Rajputana and Central India.

Cost of Opium, etc. +5,40

This increase is nominal only, being due to a change in classification by which the cost of opium taken over is debited to the revenue head instead of to a remittance head in the accounts. It is fully covered by a corresponding increase of revenue.

3. It thus appears that, of a total increase of 14,20, no less than 5,40 is, and a further 7,64 should in a normal year be, covered by countervailing revenue. The balance of 1,16 represents the real recurring increase of expenditure; and this is mainly due to the taking of special measures against the smuggling of opium and *charas*.

Account No. 7.—Stamps.

The following table sets out in an intelligible form the expenditure under this head in each of the six years under review.

TABLE A.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs
Cost of Supply and Sale of Stamps—								
Charges in India	2,59,245	5,86,217	7,34,378	6,44,361	1,09,482	87,000	..	1,72,245
Charges in England, including Loss by Exchange	4,43,259	8,16,283	..	..	..	..	..	4,43,259
Deduct—Recoveries credited by deduction from expenditure	—8,22,291	—7,26,354	—6,39,025	—6,74,448	..	..	8,22,291	..
Net Revenue Expenditure proper	—1,19,787	6,76,146	95,353	—30,087	1,09,482	87,000	2,06,787	..
Capital Outlay met from Revenue	10,12,156	..	2,38,319	5,98,655	1,07,952	..	..	10,12,156
Total Expenditure under Stamps	8,92,369	6,76,146	3,33,672	5,68,568	2,17,434	87,000	..	8,05,369

2. The actual accounts of the various years are complicated by several important changes in system and procedure which took place during the period. In 1924-25, the Government of India were still buying stamps in England, though a start had been made with the construction of the Security Printing Press at Nasik, which was intended to print all varieties of stamps required by India. In that year, the cost of postal stamps was debited direct to the Posts and Telegraphs Department, and the cost of other stamps supplied to provincial depôts was charged to the local Governments which managed those depôts. The Calcutta depôt alone was controlled by the central Government, and some of the local Governments drew their supplies from it. The cost price of non-postal stamps purchased from that depôt was debited to this head of account, the recoveries on account of stamps supplied to the provinces being credited by deduction from expenditure. In addition, the Government of India made a few purchases from the provincial depôts, and the price was debited to this head.

3. In 1925-26, the Security Press had begun to produce stamps, but the purchase of stamps in the United Kingdom and the issue of old stocks from the central depôt continued. The working expenses of the Press were debited as expenditure under this head, thus increasing the charges in India, while a portion of the recoveries deducted represented the value of stamps issued from the Press to the central depôt and thence supplied to local Governments.

4. In 1926-27, no purchases were made in the United Kingdom, but the issue of old stocks from the central depôt continued, and the value of the issues to provincial Governments was still deducted from the expenditure under this head. The Security Press began, however, to be treated as a commercial concern under chapter 2 of the Account Code; with the result that no more than the *net* results of its annual working passed through the regular Government accounts. In this particular year, the present head was debited (1) with 84, being the loss sustained by the Press on the twelve months' working, and (2) with 2,93 on account of the cost of stamps supplied by the Press to the central depôt, for which the latter took credit as revenue in its own commercial accounts. The capital outlay met from revenue in this year represents the initial expenditure on the Central Stamp Store at Nasik.

5. In 1927-28, the general position was unchanged. The loss on the working of the Press fell, however, to 42, while the cost of stamps purchased remained approximately stationary at 2,92. The Central Stamp Store was almost completed at the cost of revenue during the year.

6. The year 1928-29 saw another material change. On the completion of the Central Stamp Store, it took over the work of the central depôt in Calcutta, which was abolished. It was therefore no longer necessary to debit the head Stamps with the cost of supplies made to the depôt. The new Store functioned as a part of the Security Press concern, and all adjustments on account of the cost of stamps supplied were made inside its commercial accounts. The present head was, however, of necessity still charged with the value of stamps issued from the Central Store to the various minor administrations; while some of these administrations continued to purchase stamps from the provincial depôts which were selves supplied from the Cent These two items, together wit of vend arrangements in the mi ministrations, now constitute pra the whole of the expenditure unde head. The debit on account of lo working the Press vanished from th counts of 1928-29, when a profit of was made and credited as revenue un Stamps.

7. The budget for 1929-30 conte plated no change in this system. T estimated profit on working fell, ho ever, to 1,55, and the provision for Co of Supply and Sale was reduced by 2 to 87. The budget for 1930-31 anticipat ed a profit of 2,40 on the working of the Press.

8. In the last two years of the series, the accounts are complicated, as shown above, by the credit as revenue of the *net* profits of the Security Printing concern. The following table has therefore been prepared, in which both the revenue and expenditure under Stamps are set out, and the net revenue deduced.

TABLE B.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue from sale, etc., of Stamps .	27,70,593	27,94,728	27,44,445	27,63,871	31,58,388	29,23,000	1,52,407	..
Deduct—Refunds .	—80,904	—79,971	—75,732	—83,755	—76,597	—73,000	7,904	..
Total Revenue .	26,89,689	27,14,757	26,68,713	26,80,116	30,81,791	28,50,000	1,60,311	..
Net Revenue Expenditure proper	—1,19,787	6,76,146	95,353	—30,087	1,09,472	87,000	2,06,787	..
Capital outlay met from Revenue .	10,12,156	..	2,38,319	5,98,655	1,07,952	..	..	10,12,156
Total Expenditure.	8,92,369	6,76,146	3,33,672	5,68,568	2,17,424	87,000	2,06,787	10,12,156
					Net Decrease .			8,05,369
Net Revenue under Stamps . .	17,97,320	20,38,611	23,35,041	21,11,548	28,64,357	27,63,000	9,65,680	...

9. It will be seen that, leaving out of consideration the capital outlay on the Security Press and the Central Stamp Store, the *net* revenue credited in the general accounts of the Government of India remains practically unaffected by the substitution, for purchase in the United Kingdom, of the manufacture of stamps in India. It should be mentioned, however, that the stock of non-postal stamps sold to local Governments in 1929-30 cost them approximately 4½ lakhs less than it would have cost at the ex-factory rates of the British con- f 1924. The saving would be r if freight and other inci- s were included. Owing omplicating factors, it is to calculate with exactitude the saving accruing to the Postal Department from the change of system. It is estimated that the postage stamps supplied by the Press in 1929-30 at a price of just under 18 lakhs would have cost considerably more at the rates in force in 1924; but it is almost certainly true that a contract at far lower rates could be made in England to-day.

Account No. 8.—Forests.

The following table shows the expenditure under this head in each of the six years under review. As Forests is primarily a revenue-producing head, the revenue of the central Government from this source is shown at the foot of the table, and the *net* expenditure deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
ES IN INDIA.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ral Direction .	1,56,998	1,19,105	1,24,182	61,661	58,444	61,500	..	95,498
st Research Institute—								
Establishments, etc. . .	6,23,670	5,84,848	6,33,808	6,72,417	6,87,082	7,56,500	1,32,830	..
Other Charges .	2,02,696	2,02,588	2,63,978	2,19,777	2,11,956	2,30,900	28,204	..
onservancy and Works—								
Removal, etc., of Forest Produce	11,43,845	11,24,649	11,94,164	12,97,034	13,78,226	14,93,960	3,50,115	..
Livestock, Stores and Tools and Plant . .	1,66,966	2,37,619	3,13,572	1,73,781	2,35,206	2,52,500	85,534	..
Communications and Buildings.	1,22,300	54,871	78,535	39,788	68,312	70,330	..	51,970
Other Items .	85,472	55,778	42,484	70,387	87,346	1,27,910	42,438	..
Establishment .	3,15,018	3,16,758	3,53,498	3,78,602	3,95,912	4,12,400	97,382	..
Interest . .	..	..	..	6,931	16,762	19,000	19,000	..
Capital Outlay charged to Revenue . . .	..	..	..	6,10,307	1,96,737	4,18,000	4,18,000	..
CHARGES IN ENGLAND.								
Stores . .	13,760	16,430	15,580	27,000	36,630	77,000	63,240	..
Other Expenditure . .	2,05,075	1,87,877	1,54,876	1,65,095	1,32,220	1,71,000	..	34,075
LOSS BY EXCHANGE	80,366	66,772	58,132	990	239	..	..	80,366
Total .	31,16,166	29,85,295	32,32,809	37,23,770	34,85,072	40,91,000	12,36,743	2,64,909
					Net Increase .		9,71,834	
Revenue from Forests . .	16,14,698	18,74,128	23,57,879	24,58,676	25,97,258	30,00,000	13,85,302	..
Net Expenditure .	15,01,468	11,11,167	8,74,930	12,65,094	8,87,814	10,91,000	..	4,10,468

2. It will be noticed that the gross expenditure shows an increase of 9,75, and the *net* expenditure a decrease of 4,10. The principal variations under sub-heads are discussed and explained below:—

General Direction. —95

A great part of this decrease is nominal only. The expenditure of 1924-25 included an unusual item of 24, on account of leave charges passed on by other Governments. A further saving of 52 was caused by the transfer to the budget of the Secretariat Department of Education, Health and Lands of a portion of the cost of the Inspector General of Forests and his establishment when their headquarters were moved to Dehra Dun. The only true reduction is a saving of about 20 on allowances which was due to the transfer of headquarters.

Forest Research Institute—
Establishment and Contingencies +1,33

Other Charges +28

The total increase of 1,61 is due to the reorganisation of the Institute to fit it to train probationers of the Indian Forest Service. Of this amount, 13 represents allowances paid to probationers, which are recovered from local Governments and credited as revenue, while 5 is the provision made for the cost of priced publications, which is set off by increased revenue under the head Stationery and Printing. The true increase is therefore 1,43. There is a minor increase of 9 under supply of telephones to the officers of the Institute.

Removal, etc., of Forest Produce +3,50

The principal items in this increase are enhanced expenditure of 1,79 in the Andamans and of 1,78 in the North-West Frontier Province, both of which are said to be covered by increase of revenue. The former was mainly caused by an increase of approximately 1,20 in freight of timber exported and 64 in payments to sale agents; both being due to the greater quantities of timber now exported from the Islands. The increase in the North-West Frontier Province is ascribed to the development of the general activities of the Forest Department of the province and is probably covered by increased revenue. There was a minor growth of 17 due to the exploitation of forests for charcoal in Ajmer-Merwara, counterbalanced by petty reductions elsewhere.

Livestock, Stores and Tools and Plant. +86

The whole of this increase occurred in the Andamans. 49 represents an increase in the cost of feeding elephants and the balance is due to larger purchase of stores in India owing to the expansion of operations.

Communications and Buildings —52

The decrease under this sub-head is nominal only. A portion of the expenditure previously charged to it has, owing to a change of classification, been transferred to the new minor head "Capital Outlay charged to Revenue".

Other Items. +42

The increase is the *net* result of a number of minor increases in the area budgets, none of which is of sufficient importance to call for special mention.

Establishment. 97

Of the increase of 97, a sum due to expansion of staff and of increased allowances in West Frontier Province. The is the result of normal increm of minor revisions of establish other areas.

Interest

This is a new charge, due to a ch in the system of accounting.

Capital Outlay charged to Revenue +4

This is a new minor head introdu in 1927-28, in connection with the p tial commercialisation of the Forest d counts. The principal items in the budg of 1929-30 comprise provision for th purchase of a steam lighter, barge and launch and of certain machinery for the Andamans forests (3,25), and a sum of 56 for stores, tools and plant for the Research Institute. A provision of 37 under the North-West Frontier Province is a mere transfer from the sub-head Communications and Buildings.

Stores purchased in England +63

The bulk of this increase is nominal only, being set off by the decrease under

"Loss by Exchange". There has, however, been enhanced expenditure on the purchase of stores for the Andamans owing to the growth of the activities of the Forest Department in the Islands.

3. It will be apparent from the table in paragraph 1 above that the Forests of the minor administrations under the central Government are not at present a particularly profitable concern. Even omitting from consideration the expenditure on the Forest Research Institute, there was still, according to the estimates of 1929-30, *net* expenditure of 1,01. The gap between expenditure and revenue has, however, been reduced by over 4 lakhs during the period under review; and, if the unusual capital outlay of 1929-30 is left out of account, there remains a small margin of *net* revenue. With the development of the Forest property in the Andamans, it may be hoped that this margin will gradually increase.

Account No. 9.—Registration.

The following table exhibits the expenditure under this head in each of the six years under review. For convenience of reference, the gross revenue from Registration is shown at the foot of the table and the *net* revenue deduced.

Circles.	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
1	2	3	4	5	6	7	8	9
North-West Frontier Province . .	11,084	12,606	12,181	12,552	14,496	15,000	3,916	..
Baluchistan . .	2,824	2,701	2,786	2,809	3,254	3,000	176	..
Delhi . . .	8,234	7,656	5,729	3,654	3,925	4,200	..	4,034
Ajmer-Merwara .	1,903	2,168	2,593	2,631	2,462	2,700	797	..
Central India .	1,495	1,696	1,325	1,836	1,708	1,500	5	..
Hyderabad . .	96	96	94	84	84	100	4	..
Mysore . .	3,418	3,507	3,689	3,037	3,269	3,500	82	..
Total .	29,054	30,430	28,397	26,603	29,198	30,000	4,980	4,034
					Net Increase .		+946	
Gross Revenue from Registration . .	1,64,392	1,68,043	1,57,372	1,56,271	1,61,924	1,59,000	—5,392	..
Net Revenue.	1,35,338	1,37,613	1,28,975	1,29,668	1,32,726	1,29,000	—6,338	..

It will be seen that the expenditure has risen by less than 1 and the revenue has fallen by 6. The variations are of insufficient importance to call for detailed examination.

Account No. 10.—Irrigation.

The following table shows the expenditure under this head in each of the six years under review. For convenience of reference, Irrigation revenue has been shown at the foot of the table and the *net* expenditure deduced.

Expenditure in India.	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Interest . .	11,98,270	12,06,983	12,00,207	12,02,411	12,21,077	12,28,000	29,730	..
Capital Works charged to Revenue . . .	92,539	1,09,035	31,288	1,63,008	2,51,338	3,08,000	2,15,461	..
Working Expenses—								
(*a*) Works and Extensions and Improvements	84,669	3,25,890	2,03,306	2,51,593	2,56,038	4,34,800	3,50,131	..
(*b*) Maintenance and Repairs .	7,80,217	3,47,997	3,35,738	3,25,517	3,29,310	3,39,000	..	4,41,217

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Establishment .	5,90,100	5,65,763	6,80,647	9,11,426	9,71,938	8,90,800	3,00,700	..
Tools and Plant .	17,027	9,154	13,846	16,966	28,131	38,500	21,473	..
Suspense . .	2,569	10,875	2,88,710	—79,566	—14,883	2,000	..	569
Pensionary Charges	1,13,277	87,992	(a)	(a)	(a)	1,08,600	..	4,677
Other Charges .	73,583	61,015	3,366	8,895	40,164	..	..	73,583
Deduct—English Charges included above . .	..	..	..	..	..	—16,000	..	16,000
Reserve . .	..	..	..	..	..	15,000	15,000	..
Deduct—Probable Savings . .	..	..	..	..	..	—2,27,700	..	2,27,700
Expenditure in England . .	(a)	(a)	(a)	(a)	(a)	69,000	69,000	..
Total .	29,52,251	27,24,704	27,57,108	28,00,250	30,83,113	31,90,000	10,01,495	7,63,746
						Net Increase .	2,37,749	
Revenue .	18,07,886	19,12,748	22,32,248	19,66,863	17,98,606	22,69,000	4,61,114	..
Net Expenditure .	11,44,365	8,11,956	5,24,860	8,33,387	12,84,507	9,21,000	..	2,23,365

(a) Included in above figures.

2. It will be noticed that there has been an increase of 2,38 in gross and a decrease of 2,23 in *net* expenditure. The principal variations under individual sub-heads are examined below :—

Interest.—The increase of 30 is a natural result of the growth in capital at charge owing to new construction.

Capital Works charged to Revenue.—Of the growth of 2,15, 2,09 represents provision for outlay in Baluchistan, designed rather to conserve the existing water-supply than to produce fresh revenue. There was further provision of 3,86 on the same account in the budget estimates of 1930-31, which should suffice to complete the particular project.

Revenue Works and Extensions and Improvements.—The principal factors in the growth are a provision of 2,00 for drainage and construction in the North-West Frontier Province, which is expected to prove remunerative, and of 1,10 for works in Baluchistan, which form part of the programme mentioned under Capital Works above. The North-West Frontier Province project is still in progress, and increased provision was made for it in 1930-31.

Maintenance and Repairs.—There was expenditure of 4,26 in 1924-25 on the repair of damage caused by erosion at Dera Ismail Khan in the North West Frontier Province. The completion of these repairs accounts for the bulk of the decrease under the sub-head.

Establishment.—The increase of 3,01 appears at first sight disproportionate to the growth of Works expenditure. It includes, however, a provision of 1,69 for a temporary staff to survey irrigation possibilities in the North-West Frontier Province and Baluchis There was further provision of the restoration of an abolish division in the North-W Province, which is expecte remunerative, and of 50 fo rary and experimental exp staff in Baluchistan.

Tools and Plant.—Of the tota of 21, as much as 20 is purely rary, being provision for the irr survey mentioned above.

Pensionary Charges.—The dec under this sub-head is nominal Pensions costing 48, which were from the Delhi Treasury in 192 have been transferred to the head S annuation Allowances and Pens There is thus a real increase of 43

Other Charges.—The bulk of the crease is nominal only. The charg shown under this head in the Finance and Revenue Accounts consist, apart from a comparatively small outlay on surveys, etc., mainly of sterling charges for leave-salaries and deputation pay. The decrease is therefore largely counterbalanced by the apparent increase under Expenditure in England.

Expenditure in England.—The apparent increase has been explained above.

Account No. 11.—Interest and Management of Debt.

The following table shows, for each of the six years under review, the expenditure on Interest upon debt of all kinds and upon the management of the debt. In view of the increasing extent to which the capital outlay of the central Government has in recent years been financed from the proceeds of unfunded debt, it appears desirable to discuss interest on funded and unfunded debt in a single Memorandum, and to treat the subject as a connected whole.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30	Increase.	Decrease.
Permanent Debt.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Rupee Debt	17,94,36,935	18,49,11,108	17,92,57,321	17,98,21,359	18,27,77,714	..	..	..
Deduct—Interest on Indian Government Securities purchased with unemployed cash balances	—16,54,066	—26,75,134	—15,76,808	—17,47,636	—13,64,747			
	17,77,82,869	18,22,35,974	17,76,80,513	17,80,73,723	18,14,12,967	18,35,24,000	57,41,131	..
Sterling Debt	17,25,82,882	17,36,05,167	17,48,59,230	17,43,10,088	17,69,95,712	18,14,68,000	88,85,118	..
Floating Debt.								
Discount on Treasury Bills	2,52,37,000	2,53,85,000	2,06,00,000	2,07,26,557	2,45,73,782	2,48,50,000	..	3,87,000
Discount on India Bills	..	..	..	14.05,135	17,60,174			
Interest on Temporary Loans	..	..	..	2,38,493	25,81,370			
Unfunded Debt.								
Special Loans and Treasury Notes	8,56,319	8,61,512	8,84,643	8,83,738	8,84,346	8,88,220	31,901	..
Post Office Savings Bank	71,[illegible]0,687	73,99,017	79,20,535	87,26,611	97,85,725	1,07,63,000	36,42,313	..
Post Office Cash Certificates	16,31,189	15,94,101	16,19,079	22,54,031	60,14,929	1,10,00,000	93,68,811	..
[illegible]unds	1,85,40,994	2,05,01,267	2,27,64,656	2,[illegible]2,44,431	2,39,97,982	2,70,56,530	85,15 536	..
[illegible]	9,73,888	9,53,005	9,27,557	8,95,921	8,60,526	8,51,900	..	1,21,988
[illegible]ce and [illegible] Fund	7,99,884	8,78,882	8,67,563	10,73,269	11,96,457	13,20,000	5,20,116	..
[illegible]ocal Gov-	18,57,028	27,85,601	42,31,578	40,79,600	36,46,731	27,32,600	8,75,572	..
[illegible]us	81,708	1,71,896	6,46,215	4,29,979	2,33,651	1,26,780	45,072	..
Total	40,74,64,448	41,63,71,422	41,31,01,569	41,53,41,576	43,39,44,352	44,45,81,030	3,76,25,570	5,08,988
							Net Increase. 3,71,16,582	
Interest passed local Govern-	—4,21,54,712	—5,20,83,051	—5,34,60,427	—5,46,04,423	—5,87,78,074	—6,20,89,000	—1,99,34,288	..
Interest paid by [illegible]tral Government whole	36,53,09,736	36,42,88,371	35,96,41,142	36,07,37,153	37,51,66,278	38,24,92,030	1,76,91,282	5,08,988
							Net Increase . 1,71,82,294	
dd—Interest paid to the Railway and Posts and Telegraphs Departments on their Reserve and Depreciation Funds	21,28,998	[illegible]4,50,318	65,69,290	84,45,384	1,10,78,313	1,35,09,000	1,13,80,002	..
Payments to the Post Office for Savings Bank and Cash Certificate work.	22,03,000	23,34,148	24,53,026	29,00,000	39,94,430	43,47,000	21,44,000	..
Deduct—Interest passed on to the Railway and Posts and Telegraphs Departments.	—21,91,58,610	—23,65,38,444	—24,88,20,826	—26,37,34,025	—28,52,20,241	—29,81,43,000	7,89,84,390	..

——	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
B. *Net* Interest paid by the Civil Departments . .	15,04,83,124	13,55,34,393	11,98,42,632	10,83,48,512	10,50,18,780	10,22,05,030	—4,77,69,106	5,08,988
							—4,82,78,094	..
Deduct.—Interest passed on to other Commercial Departments . .	—14,99,707	—18,52,450	—21,33,340	—25,77,691	—26,93,330	—30,47,000	—15,47,293	..
Interest brought to account under Superannuation Allowances and Pensions, etc.	..	..	..	—1,37,049	—3,48,328	—5,11,000	—5,11,000	..
Add.—Interest on Depreciation Fund of the Northern India Salt Revenue Department	..	17,397	24,204	35,809	50,397	62,000	62,000	..
C. *Net* Interest paid by non-commercial Civil Departments .	14,89,83,417	13,36,99,340	11,77,33,496	10,56,69,581	10,20,27,519	9,87,09,030	—4,97,65,399	5,08,987
							Net Decrease .	5,02,74,387

2. Particular attention is invited to the lines of figures in the table which are marked A, B and C. The line at A shows the gross figure of interest paid by the central Government on the debt, of all kinds, which it has raised for its own purposes. The line at B is the result of eliminating the figures pertaining to the Railway and Posts and Telegraphs Departments, with which this report is not immediately concerned. The line at C gives the *net* figures appertaining to the civil departments, after eliminating sums of interest which are brought to account under other heads and thus appear elsewhere in this report, and providing for the Interest payable on the Depreciation Fund of the Northern India Salt Revenue Department, which is debited to revenue and credited to a deposit head outside the revenue accounts. Brief comments will be offered below upon each of the important sub-heads in the account, and, in their due place, upon the totals at A, B and C.

Rupee Debt ... + 57,41

Under this head are included, not only the interest on Public Debt proper, but also such items as the cost of the issue of loans and the management of debt, payments of discount into discount sinking funds and the lump provisions for the service of new loans, the bulk of which went to meet interest payable in the year of issue. In the Rupee Debt proper, there was, as between the amounts outstanding on the 1st April 1924 and the 1st April 1929, an increase of 32 crores; but the effect of this was to some extent counteracted by a fall in the rate of interest payable. Loans carrying interest at 6 and at 5½ *per cent.* were reduced by 65 and 29 crores, respectively; while, of the new loans floated, 43 crores carried interest at 5,35 at 4½ and 49 at 4 *per cent.* The flotation of certain of these new loans at a count involved an increase o amount of discount charged a head.

Sterling Debt

This head includes, in addit miscellaneous items of the ch described under Rupee Dept,

(i) interest on Sterling Deb per;

(ii) the interest portion of a ties payable in purchas Railways;

(iii) the interest payable on standing liabilities taken with purchased Railways; a

(iv) interest on India's outstandi liability in respect of the 5 *per cent.* War Loan of the British Government.

One important reason for the increase of expenditure during the period under review was the assumption, on the purchase of the East Indian and the Great Indian Peninsula Railways, of liability for the service of Railway Debenture Stocks totalling £22 millions and carrying interest at 4½, 3½ and 3 *per cent.* The East Indian Railway debentures,

totalling 18½ millions, were taken over in the course of 1924-25, and less than a quarter of the interest payable in a full year was disbursed in that year. In addition, there was an increase of £17¼ millions in 4½ *per cent.* ordinary debt, partially set off by a reduction of 2½ millions in the outstanding liability for British War Loan and of 6½ millions in the outstanding capital to be redeemed by Railway annuities.

Discount on Treasury Bills — 3,87

The amount of Treasury Bills outstanding was reduced from 51,77 lakhs on the 1st April 1924 to 43,15 lakhs on the 1st April 1929. A considerably lower level was reached in the intervening years 1926-27 and 1927-28.

Special Loans and Treasury Notes +32

These are funds deposited with Government by way of endowment of objects of a religious or charitable nature. The increase during the period was due to [illegible] payments made in commutation of [illegible] of outstanding liabilities.

[illegible]st Office Savings ... +36,42

[illegible] under this head is the [illegible]evelopment of the saving [illegible]what may be called the [illegible]or" class. There was no [illegible]e rate of interest paid on [illegible]ich remained at 3 *per cent.* the period under review.

[illegible]ce Cash Certificates +93,69

[illegible] also represents increased savings [illegible]mall investor. The amount of [illegible]ertificates outstanding on the 1st [illegible] 1924 was 8,42 lakhs: by the 1st [illegible] 1929 it had risen to 32,30 lakhs. [illegible]amount debited under this head [illegible]s nothing more than the sums [illegible]lly paid as bonus on Certificates [illegible]arged during the year. It does not [illegible]ude the accumulated bonus on Cer[illegible]cates which must be discharged in [illegible]e future. It is, therefore, so long as [illegible]he *net* deposits continue to increase, no [illegible]rue measure of the annual liabilities of [illegible]overnment in connection with the sums [illegible]orrowed by this means.

State Provident Funds ... +85,16

The heavy growth of interest paid on deposits in these Funds, in spite of a reduction in the rate from 5½ to 4¾ *per cent.*, is due to the fact that the majority of the more important Funds has not yet reached a position of comparative stability, while interest credited itself earns interest in later years. The deposits rose from 33,39 lakhs on the 1st April 1924 to 53,65 on the 1st April 1929.

Service Funds ... — 1,22

The decrease is mainly due to a decline in the deposits of the Bengal Uncovenanted Service Family Pension Fund.

Postal Insurance and Life Annuity Fund. +5,20

The rate of interest on this Fund has remained at 3½ *per cent.* throughout the period. The growth of expenditure is an indication of the increasing popularity of life insurance among Government servants of the lower grades.

Deposits of local Governments +8,76

The increase under this head is mainly due to the introduction in 1925-26 of an arrangement under which local Governments can place their temporarily surplus balances on fixed deposit with the central Government.

Deduct—Interest passed on to local Governments. +1,99,34

This head includes the interest on that portion of the public debt which has, in effect, been borrowed on behalf of the local Governments. The capital on which the interest is calculated is made up of the debt which, under Devolution Rules 23 and 24, was transferred to the provinces on the introduction of the reformed constitution, together with advances subsequently made to them under Devolution Rule 25, which have, since 1925-26, been treated as financed from the Provincial Loans Fund. It is noticeable that more than half of the increase, during the period under review, of interest paid on debt of all kinds to outside creditors of Government has been passed on to the local Governments.

A.—*Net Interest paid by the central Government as a whole* ... +1,71,82

The figures under this head represent the *net* total amount of interest paid by the central Government as a whole to its outside creditors. Of the total growth, as much as 85,79, or more than one-half, is due to the increased payments caused by the assumption of responsibility for the Debenture Stocks of the East Indian and Great

Indian Peninsula Railways. It thus represents the interest on the capital invested in the purchase of a larger proprietory share in the Railway system. The balance of the increase, as already indicated, is due to the flotation of new Rupee and Sterling loans, partially counterbalanced by a fall in the rate of interest and by the redemption of outstanding liabilities in respect of British War Loan and of the purchase price of Railways.

Interest paid to the Railway and Posts and Telegraphs Departments on their Depreciation and Reserve Funds. ... +1,13,80

In order to obtain a true idea of the amount of Interest paid by the "Civil Departments", it is necessary to add the interest credited to the Railway and Posts and Telegraphs Departments on their Depreciation and Reserve Funds. The balances of these Funds have actually been devoted to the financing of capital expenditure; and the commercial departments concerned are debited with interest on the capital so provided. The interest paid to them is, in fact, a partial set-off against the interest on debt proper which is passed on to the Departments. The great growth of the three Funds in question is responsible for the increase of payments under this head.

Payments to the Post Office for Savings Bank and Cash Certificate work. + 21,44

In order to distribute the cost of management of debt in due proportion between the civil and commercial departments, it is necessary to take account of these payments; which are actually brought to account by debit to the head Interest on Miscellaneous Obligations and by credit, through deduction from expenditure, in the accounts of the Posts and Telegraphs Department. The adjustment, with its counterbalancing credit and debit, produces, of course, no effect upon the accounts of the Government of India as a whole. The growth of expenditure under this head is due to the increase in the number of Savings Bank accounts and the expansion of the sale of Cash Certificates.

Deduct—Interest passed on to Railway and Posts and Telegraphs Departments. +7,89,84

The increase reflects the result of the heavy capital expenditure on Railways undertaken during the period under review.

B.—*Net Interest paid by the Civil Departments.* —4,83,13

This very interesting figure suggests the extent to which Government has been able to finance capital expenditure out of funds on which it pays either no interest at all or interest lower in rate than that which it recovers from the commercial departments to which the capital is made available. Instances of the former class are:—

(i) Revenue surpluses.

(ii) Appropriation for Reduction or Avoidance of Debt.

(iii) Gain on revaluation, sale, etc., of assets of the Paper Currency Reserve.

(iv) Gain by Exchange on Remittance Account.

(v) Balances of the Funds for Govern[illegible]es.

Under the second class:—

(vi) Balances of the Posts and Telegraphs Depreciation and Reserve

(vii) Deposits in Post Office Savings Banks.

(viii) Investments in Post Office Certificates.

(ix) (For some portion of the year under review) Deposits in Provident and Service Funds.

(x) Deposits of local Governments

(xi) Deposits in the Postal Annuity and Life Insurance Fund.

It should be added that there is an apparently heavy gain on this account under Post Office Cash Certificates, which would be considerably reduced if revenue were debited each year with the amount of the bonuses which have accrued during the year. Even, however, if the necessary appropriations from revenue were made, the amounts appropriated would still be temporarily available for capital purposes.

Deduct—Interest passed on to other Commercial Departments. +15,47

This deduct entry is designed to eliminate interest which is debited elsewhere in the accounts with which this report deals.

Deduct—Interest brought to account under Superannuation Allowances and Pensions, etc. +5,11

This is another eliminating entry. Lump sum payments in commutation of pensions are treated, in the first instance, as financed from borrowed funds, and are paid back from revenue, over a series of years, in equated instalments of principal and interest. On the assumption that the commutations are originally financed from borrowed funds, a portion of the general charge for interest on debt, equal to the interest portion of each equated instalment, is passed on to the head "Superannuation Allowances and Pensions", and to the heads relating to departments which bear their own pensionary charges. This procedure was introduced for the first time in the course of the period under review.

Interest on Depreciation Fund of the Northern India Salt Revenue Department. +62

This interest, which is debited to revenue under the head Interest on Miscellaneous Obligations, is credited to a Deposit head, and thus does not return as revenue of Government. It is therefore necessary to take it into account in setting out the complete revenue expenditure upon Interest incurred by the Civil Departments.

C.—*Net Interest paid by non-commercial Civil Departments.* —5,03,09

This is the *net* amount of expenditure upon Interest and management of Debt brought to account under the two Interest heads after eliminating the figures relating to Departments with which this report is not concerned. The general reasons for the decrease are similar to those set forth above against line B.

3. In appraising the true cost of the management and service of the debt of the central Government, the three items of revenue given (in thousands of rupees) below may fairly be taken into account :—

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Interest on Cash Balances invested in the United Kingdom (including Exchange).	62,69	61,67	55,55	19,77	20,65	21,98	..	40,71
Interest on Loans and Advances to Local Bodies, Government rvants and others.	37,69	52,44	40,80	49,69	60,56	86,01	48,32	..
rest on Securities of e Companies' Railays' Provident Funds.	36,67	29,34	3,02	..	..	..	..	36,67
Total .	1,37,05	1,43,45	99,37	69,46	81,21	1,07,99	48,32	77,38
						Net Decrease		—29,06

It seems reasonable to set off against a portion of the interest on temporary debt the proceeds of the temporary investment of cash balances which might, in theory, have been used to finance the expenditure to which the temporary loans were devoted. The interest on loans and advances is obviously a proper set-off against interest on debt, seeing that the loans are actually met from borrowed funds. The interest on Securities taken over with the responsibility for the Companies' Railways' Provident Funds operated to reduce the interest payable from general revenues upon deposits in these Funds. The last of these Securities was sold in 1926-27, and the proceeds were utilised to finance

capital expenditure. The growth in revenue from interest on loans and advances was mainly due to the growth of outstanding advances to Indian States.

4. Deducting these figures of revenue from the totals in line B of the main table, the following emerges as the true *net* expenditure of the civil departments on Interest and Management of Debt :—

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Figures in line B of main table	15,05,18	13,55,34	11,98,43	10,83,49	10,50,19	10,22,05	4,83,12
Deduct—Countervailing revenue	—1,37,05	—1,43,45	—99,37	—69,46	—81,21	—1,07,99	—29,06
Net Total	13,68,13	12,11,89	10,99,06	10,14,03	9,68,98	9,14,06	4,54,06

During the period, the cost of management of debt has risen from approximately 41,26 to 78,55; so that the decrease in the charge for Interest proper has amounted to 4,96,41.

Account No. 12.—Reduction or Avoidance of Debt.

The following table shows the expenditure on Reduction or Avoidance of Debt in each of the six years under review :—

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sinking Funds for Rupee Loans	88,31,000	97,21,000	1,36,04,000	1,36,04,000	1,36,04,000	1,36,04,000	47,73,000
Other Appropriations	2,90,04,440	4,00,04,352	3,61,12,016	3,68,39,000	4,06,13,000	4,36,75,000	1,46,66,56
Total	3,78,39,440	4,97,25,352	4,97,16,016	5,04,43,000	5,42,17,000	5,72,79,000	1,94,39,560

2. The increase, which began in 1925-26, is the result of the adoption by Government in that year of a definite scheme of debt redemption from revenue. This scheme contemplates the annual provision of 4 crores of rupees, *plus* such additional sum as represents one eightieth part of the amount by which the *net* total of debt outstanding on the previous 31st March exceeded the amount outstanding on the 31st March 1923. In calculating these *net* totals, account is taken of the complete debt, permanent, floating and unfunded, with the exception of the Treasury Bills issued to the Paper Currency Reserve and the interest-bearing deposits of the local Governments. To the total provision so calculated was added, in 1925-26, a sum of 19 lakhs, being the amount of customs duty on capital stores imported on account of the central Government, and, in the four following years, 13,14,30 and 30 lakhs, being India's share of the reparation receipts under the Dawes Scheme.

3. The obligatory charges against the annual provision are the following :—

(*a*) The Depreciation Funds of 1½ *per cent.* on the 5 *per cent.* Rupee Loans of 1929-47 and 1945-55.

(*b*) The Railway Sinking Funds now in operation.

(*c*) The capital portion of the annuities issued in purchase of railways.

(*d*) The capital portion of the annual payment in liquidation of India's outstanding liability for British War Loan.

The balance, if any, may be applied to the avoidance of new borrowing or to the repayment of such debt as the Governor General in Council may see fit to liquidate. Should the total of the obligatory charges exceed, in any year, the amount provided under the formula, the excess sum is to be charged to capital.

4. Of the four obligatory charges, the first is a rupee charge and is shown separately in the table given in paragraph 1 above. In the other three cases, the actual expenditure is sterling expenditure incurred in England. As, however, it is found more convenient to record in the Indian section of the accounts the entire expenditure from revenue upon the redemption of debt,

the full amount, expressed in rupees, is charged to revenue by credit to a deposit head; which is closed to "Government account" at the end of each year, thus merging the provision in general balances. The payments made in England, which are fixed in amount, are met from these balances, and brought to account in the Debt section of the Government books.

5. The actual expenditure of each year of the series upon each of the objects specified in clauses (*b*), (*c*) and (*d*) of paragraph 3 above was as follows, the figures being expressed in pounds sterling:—

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	£	£	£	£	£	£	£	£
Railway Sinking Funds	343,219	364,100	200,000	200,000	200,000	200,025	..	143,194
Capital portion of Annuities issued in purchase of Railways	1,258,966	1,302,383	1,347,348	1,393,918	1,442,152	1,492,125	233,159	..
Capital portion of the annual payment in liquidation of India's liability for British War Loan . .	464,705	487,682	512,009	531,629	555,170	592,050	127,345	..
Total . .	2,066,890	2,154,365	2,059,357	2,125,547	2,197,322	2,284,200	360,504	143,194
						Net Increase	217,310	
The same, converted into rupees at the average exchange rate of the year .	2,83,29,621	2,85,97,687	2,76,08,356	2,84,51,084	2,93,46,554	3,04,56,000	21,26,379	

6. The noticeable features of the above table are the decrease in the payments into Railway Sinking Funds, which commenced in 1926-27, and the steady increase in the second and third items. The decrease in Sinking Fund payments was due to the realisation of the fact that the previous payments had been unnecessarily large in amount. The increase in the capital portion of the fixed instalments to which the second and third items relate is the inevitable result of the steady repayment of principal. As the outstanding capital becomes less, the interest payable upon it correspondingly decreases, with the result that the capital element in the fixed instalments grows greater. It is clear from the figures that the amount of the obligatory payments is not likely in the near future to exceed that of the conventional provision. The margin has steadily increased during the past three years and stood, at the end of the period, at 1,32.

7. It is worthy of remark that, although over one-half of the obligatory payments represents the liquidation of liabilities incurred on behalf of the Railways, the Railway budget makes no contribution towards the amortisation. Its capital at charge is unaffected by the liquidation, and it continues to pay interest to general revenues on the full amount.

Account No. 13.—Staff, Household and Allowances of the Governor General.

The following table exhibits the expenditure under this head in each of the six years under review:—

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	2	3	4	5	6	7	8	9
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Salary of the Governor-General . . .	2,50,800	2,56,499	2,50,000	2,50,800	2,50,800	2,50,800	..	..
Sumptuary Allowance of the Governor-General	40,000	40,000	40,000	40,000	40,000	40,000	..	..
Expenditure from the Contract Allowance .	1,41,600	1,40,600	1,41,600	1,42,600	1,49,961	1,51,600	10,000	..
State Conveyances and Motors . . .	30,182	48,370	44,620	30,200	42,873	39,300	9,118	..
Private Secretary to H. E. the Viceroy .	2,36,459	2,06,708	1,84,258	1,72,272	1,93,327	2,05,300	..	31,159
Military Secretary to H. E. the Viceroy . .	2,65,632	2,78,422	2,84,535	2,78,175	3,34,171	3,08,500	42,868	..
Tour Expenses . .	4,11,828	6,48,720	4,83,017	5,21,331	4,20,038	4,67,500	55,672	..
Total .	13,76,501	16,19,319	14,28,030	14,35,378	14,31,170	14,63,000	1,17,658	31,159
						Net Increase .	86,499	

The table is not quite complete, as it excludes a certain amount of expenditure in England, which cannot be readily separated from outlay debitable to other sub-heads under the main head General Administration.

2. It will be seen that the total increase of expenditure is Rs. 86,499. The general position may be summed up, in terms of thousands of rupees, as follows. Of a total increase of 86 :—

27, representing special purchases for the Viceroy's House in New Delhi, is unusual expenditure of a non-recurring nature;

9, being the cost of maintenance of the Belvedere Gardens in Calcutta, has been transferred from the Civil Works Budget and is not a new charge;

9 is the amount of Customs duty on imported stores, which were exempt from such duty prior to 1925-26, and is covered by a corresponding increase of revenue in the Customs budget;

4 represents expenditure on the hire of motor conveyances, which will cease with the term of office of the present Governor General.

In addition to the above, there was in 1929-30 an increased provision of 56 for Tour Charges, which are always a fluctuating item. It may be mentioned that the revised estimates of 1929-30 anticipated an under-spending of 14 on this sub-head, and the budget for 1930-31 showed a further reduction of 11.

The remaining features of the head are an increase of 7 on other items of the Military Secretary's budget, and a decrease of 31, mainly under postage and telegraph charges, in that of the Private Secretary.

3. The position may be summed up by stating that the expenditure of the six years does not suggest any permanent expansion of true expenditure under this head.

Account No. 14.—Executive Council.

The following table shows the expenditure under this head in each of the six years :—

Sub-Heads.	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay	4,75,968	4,98,264	4,80,109	4,79,833	4,71,007	4,89,000	+4,032
Allowances, Honoraria, etc. .	2,051	460	3,115	3,364	6,170	3,800	+1,749
Tour Expenses	59,539	81,079	1,04,500	54,160	63,077	66,000	+6,461
Grants-in-Aid, etc. . . .	..	..	..	1,603	2,891	1,200	+1,200
Total	5,37,558	5,79,803	5,87,724	5,38,960	5,43,145	5,51,000	+13,442

The table is not quite complete, as it omits certain items of expenditure in England, which cannot readily be separated from outlay debitable to other sub-headings of the main head General Administration.

2. It will be seen that the total increase of the period amounts, in thousands of rupees, to 13, of which 6 is under Tour Charges and 1 is the result of Lee concessions. The revised estimates for 1929-30 anticipated a saving of 10 under the provision for Tour Charges.

3. The figures do not suggest any appreciable expansion of expenditure of a permanent character.

Account No. 15.—Legislative Bodies.

The following table gives the expenditure under this head in each of the six years under review.

—	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Council of State.								
Pay of President	51,593	52,400	51,000	51,000	51,000	51,000	..	593
Allowances, Honoraria, etc., of Members	1,54,703	1,20,165	1,25,600	1,28,531	75,620	1,28,400	..	26,303
Contingencies	..	..	..	..	1,291	6,400	6,400	..
Grants-in-Aid, etc.	..	..	..	1,150	1,814	600	600	..
Legislative Assembly.								
Pay of President and Deputy President	45,782	56,438	33,797	50,886	49,798	52,000	6,218	..
Allowances, Honoraria, etc., of Members	4,43,498	3,75,261	3,37,322	3,52,803	2,68,082	3,48,900	..	94,598
Pay of Officers of Legislative Assembly Department	..	..	..	..	8,933	83,400	83,400	..
Pay of Establishment of Legislative Assembly Department	3,000	3,000	3,000	3,000	25,326	2,13,700	2,10,700	..
Allowances, etc., of Establishment of Legislative Assembly Department.	..	..	..	..	..	38,800	38,800	..
Contingencies	24,276	17,363	23,138	25,953	34,508	62,000	37,724	..
Total	7,22,852	6,24,627	3,73,857	6,13,323	5,16,372	9,85,200	3,83,842	1,21,494
						Net Increase	2,62,348	

2. It will be seen that the expenditure has risen by 2,63 during the period under review. The principal cause of this is the creation of the Legislative Assembly Department with effect from the 10th January 1929; but the cost of this measure has been partially off-set by a saving in allowances, etc., paid to legislators of both Chambers owing to the shorter duration of sessions and the smaller attendance of members.

3. The actual provision for the Legislative Assembly Department made in the budget of 1929-30 was 3,33, and about 2,4 of the increase under Contingencies may be ascribed to the creation of this department, making a total of The whole of this is not, however, new outlay. When the Department was created, charges amounting to 1,85 were transferred to it from Legislative Department of the Secretariat, distributed over the following sub-heads:—

Pay of Officers	45
Pay of Establishment	1,2
Allowances, etc.	14
Contingencies	6
	1,85

The true increase due to the creation of the new department is thus in the neighbourhood of 1,54; of which about 4 represents increments granted to the staff transferred. The balance is due to the new officers, assistants and clerks employed; and, as these are all remunerated on time scales of pay, their cost must continue to increase for some years to come. The staff taken over consisted of—

1 Joint Secretary.
1 Superintendent.
8 Reporters.
25 Assistants, Clerks and Stenographers.
1 Translator.
23 Servants.

The present establishment comprises—

1 Secretary.
1 Deputy Secretary.
1 Assistant Secretary.
2 Superintendents.
9 Reporters.
17 Assistants.
24 Clerks.
2 Stenographers.
1 Translator.
57 Servants.

It has presumably been proved that there is sufficient work for an establishment of this size even during the months when the Assembly is not sitting.

4. Of the growth of expenditure under Contingencies, 20 represents provision for the cost of priced publications of Government, which is counterbalanced by equivalent revenue under the head Stationery and Printing. The provision for Contingencies of the Council of State is a mere transfer from the corresponding head in the Assembly budget, which previously met the contingent charges of both Chambers.

5. The position under this head may be summarised by stating that, of the apparent increase of 2,62, 1,85 is a transfer from the head Legislative Department and 20 is covered by specific increase of revenue. The balance of 57 is the true growth of expenditure. This is entirely due to the creation of the Legislative Assembly Department, and would have been far greater had it not been partially counter-balanced by a reduction in the allowances paid to the members of the two Chambers.

Account No. 16.—Public Service Commission and Staff Selection Board.

The following table exhibits the expenditure under this head in each of the six years under review. It seems desirable to consider the expenditure of the Staff Selection Board together with that of the Commission, as the former was absorbed by the latter when it came into existence in 1926-27.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Public Service Commission.								
Pay of Officers .	..	..	1,22,781	2,49,751	2,58,002	2,56,800	2,56,800	..
Pay of Establishment . .	..	..	13,281	37,809	46,684	52,500	52,500	..
Allowances, Honoraria, etc. .	..	..	40,288	64,035	67,250	40,500	40,500	..
Grants-in-Aid, etc.	..	..	..	1,839	2,030	1,200	1,200	..
Contingencies .	..	..	24,813	24,770	25,617	20,000	20,000	..
Staff Selection Board . .	11,152	10,208	2,132	..	..	..	..	11,152
Total .	11,152	10,208	2,03,295	3,78,204	3,99,583	3,71,000	3,71,000	11,152
						Net Increase .		3,59,848

2. It will be seen that the expenditure has increased by 3,60 during the period. The present cost of the Commission is 3,71, having decreased since 1928-29 owing to the transfer of charges approximating 30, being the cost of holding examinations, to the head Miscellaneous Departments. In addition to the five Members and their Secretary, the Public Service Commission employs a staff of 1 Superintendent, 4 Assistants, 12 permanent and 1 temporary clerks and 5 stenographers; all on attached offices rates of pay. The cost of the clerical staff must, owing to the accrual of increments, be expected to increase for some years to come.

Account No. 17.—Foreign and Political Department.

The following table shows the expenditure in India of this Department of the Secretariat in each of the six years under review.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers .	3,13,413	2,97,016	3,12,744	3,70,720	3,12,830	3,25,600	12,187	..
Pay of Establishment . .	3,42,779	3,49,847	3,72,318	3,83,700	3,99,520	4,33,700	90,921	..
Allowances, Honoraria, etc. .	94,359	1,01,917	1,13,711	1,07,129	1,02,179	1,02,600	8,241	..
Postage, Telegraph and Telephone Charges	70,402	1,17,997	1,29,880	1,47,241	1,53,676	1,35,000	64,598	..
Other Contingencies. . .	32,773	30,782	29,953	29,826	28,981	42,100	9,327	..
Grants-in-Aid, etc.	..	..	550	600	1,592	..	..	..
Total .	8,53,726	8,97,559	9,59,156	10,39,216	9,98,778	10,39,000	1,85,274	..
						Net Increase .	1,85,274	

2. It will be seen that the total increase during the period amounts to 1,85. The variations under individual sub-heads are examined below.

(a) *Pay of Officers.*—Comparing the staff of officers at the beginning and end of the period under review, there have been the following changes:—

(i) A new post of Under Secretary has been created.

(ii) A post of Registrar has been converted into a post of Assistant Secretary.

(iii) A new permanent post of Superintendent has been created.

An additional cause of increased expenditure during 1929-30 was the creation of a temporary post of Joint Secretary for six months. On the other hand, provision of 6 for sterling overseas pay has been transferred from the Indian to the English portion of the accounts.

(b) *Pay of Establishment.*—The following table compares the strength of the clerical staff of the office on the 1st April 1924 and the 1st April 1930 respectively:—

	1924.	1930.
Permanent Staff—		
Assistants . . .	46	54
Clerks . . .	63	67
Inferior Servants . .	91	95
Temporary Staff—		
Assistants . . .	..	6
Clerks . . .	..	6
Inferior Servants . .	26	36
Total:—Assistants and Clerks . .	109	133
Inferior Servants	117	131

The principal cause of expansion of establishment has been the creation of the Cypher Bureau, which receives and issues cypher telegrams on behalf of all Departments of the Government of India. That Bureau employed, at the end of 1929-30, 5 Assistants, 3 Clerks and 4 Lady Typists. A further increase in the permanent strength was due to the creation of 3 Assistants and 1 Clerk in order to make possible the inauguration of a new branch of the office. The temporary staff is mainly employed in connection with the revision of Aitchison's Treaties. The engagement of this new staff, together with the accrual of normal increments, is the cause of the increase of 91 under this sub-head. The effect of increments is enhanced by the fact that as many as 7 Assistants and 8 Clerks were newly employed to form a Leave Reserve in 1924-25. With over a quarter of the establishment filling posts created during the past seven years, it is clear that some years must elapse before time-scale expenditure can reach equilibrium.

(c) *Allowances, etc.*—The increase of 8 is comparatively small in view of the expansion of establishment.

(d) *Postage, Telegraph and Telephone Charges.*—The bulk of the increase under this sub-head is due to the institution of the Cypher Bureau, which issued in the calendar year 1929 as many as 1,401 telegrams on behalf of other departments of Government, as well as 2,570 which emanated from the Foreign and Political Department itself. The corresponding figures of 1926 were 798 and 1,361.

The telephone charges of this office are relatively heavy, every Superintendent being provided with an instrument at his residence. The cost was between 10 and 12 in each of the later years of the series.

(e) *Other Contingencies.*—The increase under this sub-head is nominal only. The budget of 1929-30 includes provision of 15 to meet the cost of priced publications of Government. There is thus a true decrease of 6 in expenditure.

Account No. 18.—Home Department, Main Office.

The following table sets forth the expenditure in India under this head in each of the six years under review.

—	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers .	2,56,982	2,58,416	2,07,891	2,77,779	3,03,509	2,66,800	9,818	..
Pay of Establishment . .	1,90,414	1,99,775	2,11,265	2,17,804	2,26,135	2,52,100	61,686	..
Allowances, Honoraria, etc. .	54,637	56,828	51,054	41,918	53,380	51,706	..	2,937
Contingencies .	76,828	66,318	56,428	51,432	51,127	48,700	..	28,128
Grants-in-Aid, etc.	..	..	5,641	3,600	7,766	3,200	3,200	..
Total .	5,78,861	5,81,337	5,32,279	5,92,533	6,41,917	6,22,500	74,704	31,065
						Net Increase .	43,639	

2. The growth of expenditure during the six years' period has been 44. The principal variations under sub-heads are examined below.

(a) *Pay of Officers.*—In 1924-25, there was an officer on special duty in connection with the report of the Lee Commission, while a temporary additional Deputy Secretary was employed to relieve the Joint Secretary, who was acting as Secretary of the Reforms Enquiry Committee in addition to his own duties. The budget for 1929-30 provided for two officers on special duty in connection with Reforms. The expenditure on special duty officers was thus approximately unchanged. The increase of 10 may be ascribed to the appointment of an additional permanent Superintendent and of a temporary Superintendent for six months to do Reforms work.

(b) *Pay of Establishment.*—The following table compares the clerical strength of the office as it stood on the 1st April 1924 and the 1st April 1930 respectively :—

	1924.	1930.
Permanent Staff—		
Assistants . . .	24	25
Clerks . . .	38	38
Inferior Servants . .	60	68
Temporary Staff—		
Assistants . . .	1	8
Clerks . . .	2	5
Inferior Servants . .	4	15
Total :—Assistants and Clerks . .	65	76
Inferior Servants .	64	83

The increase in strength is almost entirely due to the formation of a temporary Reforms Branch, which cost 26 out of the total increase of 62 under this sub-head. The bulk of the balance is put down to the accrual of increments. The cost of increments, in this case as in that of other Secretariat departments, was increased by the formation of a Leave Reserve in the first months of the year 1924. This involved, in the case of the Home Department, an addition to the strength of 4 assistants and 6 clerks, whose pay will expand steadily for some years to come.

(c) *Allowances, Honoraria, etc.*—Under this sub-head there is an apparent decrease of 3. The cost of I.C.S. examinations was, however, transferred to the head Miscellaneous Departments during the period under review, involving a reduction of 5. The true variation is, therefore, an increase of 2.

(d) *Contingencies.*—The heavy fall of 28 under this sub-head is ascribed to the exercise of strict economy. A considerable portion of it must, however, be due to the transfer to the Cypher Bureau of the Foreign and Political Department of the cost of foreign telegrams of the Home Department, which numbered 673 in the calendar year 1929 and 408 in the first four months of 1930.

(e) *Grants-in-Aid, etc.*—This new expenditure of 3 represents the cost of passage contributions under the Lee Concessions.

Account No. 19.—Home Department —Bureau of Public Information.

The following table shows t diture in India under this head of the six years under review.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Incr
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers .	40,500	35,803	41,874	35,100	41,144	45,400	4,900
Pay of Establishment . .	30,991	30,200	31,940	32,064	33,895	37,800	6,809
Other Charges .	61,570	68,667	68,985	73,013	72,591	76,800	15,230
	1,33,061	1,34,670	1,42,799	1,40,771	1,47,630	1,60,000	26,939

2. The table shows an increase of 27 in the course of the six years' period. Of this, 12 under Contingencies represents provision for the cost of priced publications of Government, which is counterbalanced by corresponding revenue under the head Stationery and Printing. Of the balance of 15, about 9 is due to increase of staff and the revision of pay of an officer and a further 4 to the accrual of increments.

3. The following table compares the permanent clerical establishment of the Bureau, as it stood on the 1st April 1924 and the 1st April 1930 respectively. There was no temporary staff in either year.

	1924.	1930.
Permanent Staff—		
Assistants . . .	6	7
Clerks . . .	3	5
Inferior Servants . .	8	12
Total: Assistants and Clerks . .	9	12
Inferior Servants	8	12

There has been an increase of 3 assistants and clerks and 4 inferior servants.

Account No. 20.—Home Department: —Intelligence Bureau.

The following table exhibits the expenditure in India under this head in each of the six years under review.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.
Pay of Officers .	1,48,298	1,63,533	1,45,966	1,67,869	1,87,224	1,76,500	28,202	..
Pay of Establishment	90,490	1,07,001	1,12,415	1,29,286	1,36,552	1,49,000	58,510	..
Allowances, Honoraria, etc. . .	42,873	49,946	48,379	48,558	54,917	52,000	9,127	..
Secret Service .	2,49,500	2,18,496	1,93,500	1,92,350	2,09,780	2,40,000	..	9,500
Other Contingencies	26,330	30,611	31,066	31,593	37,410	40,000	13,670	..
Grants-in-Aid, etc. .	..	..	48	4,612	5,057	..	..	..
Total . .	5,57,491	5,69,587	5,31,374	5,74,268	6,30,940	6,57,500	1,09,509	9,500
						Net Increase	1,00,009	

2. The increase of expenditure during the six years' period has, therefore, been 1,00. The principal variations under sub-heads are examined below:—

(a) *Pay of Officers.*—Comparing the position at the beginning and the end of the period, the following are the more important changes in the staff of officers of the Bureau:

(i) A Deputy Director has been substituted for an Assistant Director.

A Deputy Superintendent of Police has been promoted to be Superintendent.

(ii) A purely temporary post of Officer on Special Duty has been created for specific work.

The Officer on Special Duty alone was expected to cost 29 in 1929-30; and the increase due to the other changes is counterbalanced by the absence of provision for leave-salary. It may be mentioned, however, that the revised estimates of 1929-30 anticipated excess expenditure of 36 under this sub-head; while the budget figure for 1930-31 is no more than 1,51.

(b) *Pay of Establishment.*—The following table compares the clerical staff of the Bureau as it stood on the 1st April 1924 and the 1st April 1930 respectively:—

	1924.	1930.
Permanent Staff—		
Assistants . . .	17	22
Clerks .	5	13
Inferior Servants . .	43	49
Temporary Staff—		
Assistants . .	..	2
Clerks . . .	..	1
Inferior Servants . .	..	1
Total: Assistants and Clerks .	22	38
Inferior Servants	43	50

The increase in permanent staff was due to the general growth of work and the creation of an indexing section. The temporary staff was attached to the Officer on Special Duty. The growth of expenditure was caused partly by this expansion of establishment and partly by an extensive revision of pay and the accrual of normal increments.

(c) *Allowances, Honoraria, etc.*—There was a special provision of 2 in the budget of 1929-30 on account of an honorarium paid for the weeding of old records. The balance of the increase is a natural result of the expansion of staff.

(d) *Secret Service.*—The expenditure under this head fluctuates from year to year. Though the budget provision for 1929-30 falls short by 9 of the actual outlay of 1924-25, it exceeds that of each intervening year. The provision for 1930-31 went up by a further 20.

(e) *Other Contingencies.*—The increase of 14 is the natural result of the expansion of staff.

Account No. 21.—Legislative Department.

The following table shows the expenditure in India under this head in each of the six years under review :—

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers	2,53,903	2,70,589	2,76,509	2,96,832	2,94,742	2,52,500	..	1,40
Pay of Establishment	2,81,437	2,96,077	3,10,207	3,10,872	2,98,893	1,87,700	..	93,733
Allowances, Honoraria, etc.	58,443	63,606	57,797	62,272	52,412	44,000	..	14,443
Contingencies	43,399	45,285	43,312	44,583	35,338	50,000	6,601	..
Translators Department	7,193	6,857	6,276	6,752	7,217	4,700	..	2,493
Grants-in-Aid, etc.	..	..	2,926	3,143	5,407	2,100	2,100	..
Total	6,44,375	6,82,414	6,97,027	7,24,454	6,94,009	5,41,000	8,701	1,12,076
						Net Decrease		1,03,375

2. It will be seen that the result of the working of the six years was a reduction of expenditure by Rs. 1,03,375. This reduction was, however, entirely due to the creation of the Legislative Assembly Department from the 1st January 1929. That creation relieved the Legislative Department of expenditure, expressed in thousands of rupees, amounting approximately to 1,85, as follows :—

Pay of Officers	45
Pay of Establishment	1,18
Allowances	14
Contingencies	6
Translators' Department	2
Total	1,85

3. Omitting from consideration this transfer of 1,85, the expenditure of the Department has grown by approximately 82. The sub-heads which principally contributed to this growth were :—

Pay of Officers	+44
Pay of Establishment	+24
Contingencies	+13

Of these, an additional provision of 12 under Contingencies, to meet the cost of priced publications, is purely nominal, being set off by corresponding revenue under the head Stationery and Printing.

Of the growth under Pay of Officers, 18 is due to the fact that two posts remained vacant during a portion of 1924-25. The balance is due to the appointment of two officers on temporary special duty, to the raising of the pay and status of several officers and to the accrual of increments.

The growth under Establishment is ascribed entirely to the accrual of increments. There is no Leave Reserve in this Department. The following table compares the strength of the clerical staff as it stood on the 1st April [illegible] and the 1st April 1930 respectively :—

	1924.	193
Permanent Staff—		
Assistants	27	18
Clerks	35	26
Inferior Servants	65	42
Temporary Staff—		
Assistants	..	1
Clerks	..	3
Inferior Servants	38	29
Total : Assistants and Clerks	62	48
Inferior Servants	103	71

4. The position as a whole may be summarised by stating that, out of a true growth of expenditure by 52, about 40 may be regarded as a permanent increase in the cost of the office.

Account No. 22.—Department of Education, Health and Lands.

The following table sets forth the expenditure in India under this head in each of the six years under review.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Secretariat Office.							
Pay of Officers . . .	1,86,275	1,81,870	1,89,464	2,18,875	2,53,227	2,27,200	40,925
Pay of Establishments	2,04,628	2,22,521	2,32,379	2,68,205	2,86,739	2,87,800	83,172
Allowances, Honoraria, etc.	64,016	72,441	59,453	68,037	67,250	76,300	12,284
Contingencies . .	51,660	54,339	48,812	51,820	68,652	54,300	2,640
Grants-in-Aid, etc. . .	..	..	5,530	3,031	4,303	2,400	2,400
Office of Keeper of the Records .	98,089	1,00,531	1,21,296	1,35,698	1,20,922	1,25,000	26,911
Total . .	6,04,668	6,31,702	6,56,934	7,45,666	8,01,093	7,73,000	1,68,332

2. It will be seen from the table that there has been an increase of expenditure by 1,68 during the six years' period. The principal variations under individual sub-heads are examined below.

(a) *Pay of Officers.*—Of the total increase of 41, as much as 36 is due to the appointment of a temporary Joint Secretary. The balance was the result of the conversion of a post of Registrar into one of Assistant Secretary, and the transfer of a post of Superintendent from the head Forests when the headquarters of the Inspector General of Forests were moved to Dehra Dun. The resultant growth of expenditure was reduced by the effect of changes of incumbents of the posts of Deputy and Under Secretary.

(b) *Pay of Establishment.*—The following table compares the strength of the clerical staff of the Secretariat office as it stood on the 1st April 1924 and the 1st April 1930 respectively:—

	1924.	1930.
Permanent Staff—		
Assistants . . .	29	35
Clerks . . .	42	47
Inferior Servants . .	63	71
Temporary Staff—		
Inferior Servants . .	..	4
Total: Assistants and Clerks . .	71	82
Inferior Servants.	63	75

This increase of staff was due to the transfer of establishment to this office on the occasion of the removal to Dehra Dun of the headquarters of the Inspector General of Forests. In all, 4 assistants, 6 clerks and 12 inferior servants, whose pay, etc., were previously debited to the head Forests, then became a charge against the budget of the Secretariat department. The pay of this staff, at the time of transfer, was approximately 27. The balance of the increase under the sub-head is mainly due to the accrual of increments; the effect of which, in this case also, was enhanced by the creation in 1923-24 of a leave-reserve of 11 assistants and clerks.

(c) *Allowances, Honoraria, etc.*—On the transfer of staff from "Forests," the Secretariat office assumed responsibility for hill journey allowances, etc., of the transferred establishment amounting to approximately 11. The balance of the increase is due to provision in the budget of 1929-30 for the travelling expenses of the Joint Secretary on a projected tour to Ceylon and Malaya.

(d) *Contingencies.*—The increase is nominal, as the budget of 1929-30 contained provision of 9 for the cost of priced publications of Government, which is covered by corresponding revenue under the head Stationery and Printing.

(e) *Grants-in-Aid, etc.*—The new provision of 2 represents contributions for passages under the Lee Concessions.

(f) *Office of the Keeper of the Records.*—Of the total growth of 27, an increase of 5 under Contingencies represents provision for the cost of priced publications, and is counterbalanced by corresponding revenue under Stationery and

Printing. Increases of 4 and 9 under Pay of Officers and Pay of Establishment respectively are the result of normal increments. The bulk of the balance is due to the transfer from Calcutta to New Delhi of a portion of the office, with its natural result of increased expenditure on travelling allowance and contingencies. It is expected that the complete office will be in a position to be moved within the next ten years, and thereafter the contingent expenditure upon carriage of records should show a decline.

3. In summarising the causes of the growth of expenditure under this head, it may be stated that, out of the true increase of 1,54, the appointment of a Joint Secretary and the transfer of establishment from the head Forests are responsible for rather more than one-half. Most of the balance is due to the accrual of normal increments.

Account No. 23.—Finance Department, Ordinary Branch.

The following table shows the expenditure in India under this head in each of the six years under review.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.
	Rs.	Rs	Rs.	Rs.	Rs	Rs.	Rs.
Pay of Officers	1,88,637	1,83,743	2,10,661	2,13,557	2,33,719	2,22,900	34,263
Pay of Establishment . . .	2,09,264	2,17,796	2,42,538	2,61,024	2,73,836	2,83,900	74,636
Allowances, Honoraria, etc. . .	50,932	68,604	60,816	62,602	64,553	66,100	15,168
Contingencies	36,648	48,486	44,725	45,537	32,239	52,600	15,952
Grants-in-Aid, etc. . .	..	..	4,904	1,273	1,887	600	600
Total .	4,85,481	5,12,629	5,63,644	5,83,993	6,06,234	6,26,100	1,40,619

2. The total increase of expenditure amounts to 1,41. The important variations under individual sub-heads are examined below.

(a) *Pay of Officers.*—The principal changes which took place during the period under review were :—

(i) Conversion of the temporary post of Budget Officer from a five-monthly into a twelve-monthly post.

(ii) Substitution of an Assistant Secretary for a Chief Superintendent.

(iii) Creation of two additional posts of Superintendent.

These changes account for 23 out of the total increase of 34. The balance of 11 is ascribed to changes in personnel and accrual of increments. It may be mentioned that the budget provision under this head for 1930-31 rose to 3,07, an increase of 84, owing to the creation of temporary posts of Additional Secretary and Expenditure Officer.

(b) *Pay of Establishment.*—The following table compares the clerical and inferior staff of the department, paid from this sub-head, as it stood on the 1st April 1924 and the 1st April 1930 respectively :—

	1924.	1930.
Permanent Staff—		
Assistants . .	26	36
Clerks . .	33	47
Inferior Servants .	42	50
Temporary Staff—		
Assistants . .	.	1
Clerks . . .	1	6
Inferior Servants .	.	2
Total : Assistants and Clerks . .	60	90
Inferior Servants	42	52

It appears that there has been an increase in seven years of 24 permanent and 6 temporary Assistants and clerks, and of 8 permanent and 2 temporary inferior servants. A great part of this increase took place after the budget for 1929-30 was framed. In September 1929, the Expenditure branches were strengthened by the permanent addition of 4 Assistants and a clerk, while a clerk was added to the General Branch. On

the 1st April 1930, 2 permanent Assistants, 4 clerks and 1 inferior servant, as well as 2 temporary clerks, were appointed to constitute the new Schedule Branch, which is expected to facilitate general control over the expenditure of the Government of India. There remains, covered by the budget provision for 1929-30, a permanent increase of 4 Assistants, 8 clerks, and 7 inferior servants and a temporary increase of 1 Assistant, 4 clerks, and 2 inferior servants. Of these, 4 permanent posts of Assistants, 3 of clerks and 2 of inferior servants were created in connection with the sub-division of the over-worked Expenditure Branch and the nucleus of the Schedule Branch, and 5 clerks and 1 inferior servant were added to the General Branch.

The temporary Assistant is employed as Personal Assistant to the Hon'ble Finance Member, and the 4 remaining temporary clerks are working in different sections of the office. The permanent and temporary additions to the inferior staff consist mainly of additional peons in personal attendance on officers.

As a necessary sequel to the increase of staff after August 1929, the budget provision under this sub-head for 1930-31 has risen to 3,25; an increase of 41 over that of the preceding year.

(c) *Allowances, Honoraria, etc.*—The increase of 15 is the inevitable result of the growth of establishment, which must lead to greater expenditure on hill journey allowances and house-rent and Simla allowances.

Here also there is an increase of 23 in the budget provision for 1930-31.

(d) *Contingencies.*—Of the increase of 16, 12 represents provision for the cost of priced publications, which is covered by an increase of revenue under the head Stationery and Printing. The bulk of the remainder is due to an increase in the number of temporary inferior servants who are paid from the contingent grant.

3. It will be seen from the above that the considerable increase of expenditure under this head is due partly to general growth of work but principally to arrangements made in order to secure more efficient control over the expenditure of the Central Government generally.

Account No. 24.—Finance Department (Military Finance).

The following table sets forth the expenditure in India under this head in each of the six years under review.

Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,84,164	2,70,912	2,71,824	2,91,115	3,20,135	2,86,700	2,536	..
1,88,320	2,24,743	2,70,155	2,78,215	2,92,550	2,90,500	1,02,180	..
52,020	59,674	68,993	78,810	77,746	75,900	23,880	..
28,332	33,368	32,187	26,419	17,657	19,800	..	8,532
..	..	2,410	4,172	3,884	3,000	3,000	..
5,52,836	5,88,697	6,45,569	6,78,731	7,11,972	6,75,900	1,31,596	8,532
					Net Increase	1,23,064	

It will be seen that the expenditure has risen by 1,23 during the six years' period. The variations under individual sub-heads are examined below.

(a) *Pay of Officers.*—The increase is mainly due to the appointment of an additional Superintendent and the grant of special pay, for performing the duties of Deputy Financial Adviser, to an officer paid from the military budget. Against this additional cost must be set off a saving in provision for leave-salary.

(b) *Pay of Establishment.*—The bulk of the increase is due to expansion of staff. The following table shows the strength of the clerical and ministerial establishment as it stood on the 1st April

1924 and the 1st April 1930 respectively:—

	1st April 1924.	1st April 1930.
Permanent Staff—		
Assistants . . .	30	39
Clerks . . .	42	61
Inferior Servants .	39	51
Temporary Staff—		
Inferior Servants .	2	..
Total :—Assistants and Clerks . .	72	100
Inferior Servants	41	51

Of the increase of 28 assistants and clerks, 15 were transferred from the military to the civil budget with the Royal Air Force Finance Section and the Budget Section of the Military Accountant General's office. This involved an increase in expenditure of 57. A further considerable addition to staff was due to the employment of an establishment to revise and keep up to date the priced lists of certain categories of military stores.

The accrual of increments accounts for the balance of the increase under this sub-head.

(c) *Allowances, Honoraria, etc.*—The growth of 24 is due to the transfers of staff described above.

(d) *Contingencies.*—The decrease of 9 is said to be due to the exercise of economy.

(e) *Grants-in-Aid, etc.*—This new provision is the result of Lee Concessions.

Account No. 25.—Commerce Department.

The following table exhibits the expenditure in India under this head in each of the six years under review.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers	1,20,041	1,25,416	1,37,123	1,68,931	1,71,039	1,50,300	30,259	..
Pay of Establishment . . .	1,20,498	1,34,356	1,41,253	1,46,745	1,42,810	1,87,400	66,902	..
Allowances, Honoraria, etc. . .	33,517	43,739	36,249	44,052	42,201	45,500	11,983	..
Contingencies	47,995	25,599	25,243	26,239	28,893	30,100	..	17,89[illegible]
Grants-in-Aid, etc. . . .	..	..	4,437	1,722	1,366	1,200	1,200	..
Deduct—Recoveries . . .	..	..	..	..	..	—13,52[illegible]		
Total . . .	3,22,051	3,29,110	3,44,305	3,87,689	3,86,309			
					Net			

2. The principal cause of the increase of 79 is expansion of staff owing to;—

(i) the activities of the Tariff Board;

(ii) the transfer of Ecclesiastical work from the Department of Education, Health and Lands; and

(iii) the centralisation of work connected with Navigation and the Mercantile Marine.

The variations under individual sub-heads are examined in the following paragraph.

3. (*a*) *Pay of Officers.*—The increase of 30 is due to the addition of a permanent post of Deputy Secretary, now temporarily replaced by a Joint Secretary, and of a temporary post of Superintendent. The growth would have been greater but for the fa[illegible] post of Joint Secretar[illegible] for three months of [illegible]

(*b*) *Pay of Esta[illegible]* following table compare[illegible] of the office staff on the [illegible] and the 1st April 1930 re[illegible]

Permanent—		
Assistants . . .		
Clerks . . .	24	
Inferior Servants . .	33	
Temporary—		
Assistants . . .	..	
Clerks . . .	2	
Inferior Servants .	..	
Total .	75	106
Increase—		
Assistants and Clerks .		+16
Inferior Servants . .		+15

Audit in connection with the separation of account from audit functions.

(*e*) *Local Fund Audit* +4

This growth is the effect of minor increases in the North-West Frontier Province and Baluchistan. The whole of the expenditure is recovered from the local bodies whose accounts are audited.

(*f*) *Miscellaneows* +10

This represents a discretionary grant newly placed at the disposal of the Chief Commissioner of the North-West Frontier Province.

(*g*) *Works* —5

A decrease of 22 in Baluchistan is almost covered by a growth of 17 in Bangalore. In the other minor administrations, expenditure of this kind is debited to the sub-head District Administration.

3. In summarising the progress of expenditure under this head, it may be stated that, of a true gross increase of 3,18, a sum of 96 is covered by corresponding increases of revenue, 26 represents a transfer from other revenue heads and 33 from a capital head and 5 is non-recurrent expenditure on Works. The balance of 1,51 is mainly due to minor expansions of staff, revisions of pay and the normal accrual of increments.

Account No. 31.—Payments to Provincial Governments on account of the administration of Agency Subjects.

The following table sets forth the expenditure under this head in each of the six years under review:—

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras . . .	64,125	38,125	38,125	38,125	38,125	38,000	..	26,125
Bombay . . .	23,707	2,16,112	1,89,846	1,33,923	1,47,732	1,33,000	1,09,293	..
Bengal . .	59,861	41,122	40,994	44,525	42,682	38,000	..	21,861
Total .	1,47,693	2,95,359	2,68,965	2,16,573	2,28,539	2,09,000	1,09,293	47,986
					Net Increase .		61,307	..

2. The increase of expenditure shown by the table is largely nominal. The expenditure of 1924-25 in Madras and Bengal was swollen by arrear payments amounting to 48. On the other hand, of the growth of 1,09 shown against Bombay, 81 is due to a transfer from the head "Miscellaneous Adjustments with Provincial Governments", that head having been abolished, while the balance is due to new charges of 38 on account of work done in the General Department of the local Government, partially set off by minor savings on other accounts. The true result may be said to be a *net* increase of 28.

Account No. 32.—Sterling expenditure on the Establishment, etc., of the Secretary of State and the High Commissioner.

The following two tables show the expenditure under this head in each of the six years under review. In Table A the actual sterling expenditure is given: in Table B, it is converted into thousands of rupees at the average exchange rate of each year.

TABLE A.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	£	£	£	£	£	£	£	£
India Office.								
Salaries	190,700	190,738	187,918	187,685	186,368	191,100	400	..
Other Expenditure . . .	29,730	24,502	25,660	27,247	24,513	29,025	..	705
Deduct—Contribution by His Majesty's Government . . .	—137,100	—137,203	—112,880	—112,901	—110,901	—108,150	28,950	..
Miscellaneous Receipts .	..	—2,251	—2,210	—207	..	..	..	..

	Actuals, 1924-25. £	Actuals, 1925-26. £	Actuals, 1926-27. £	Actuals, 1927-28. £	Actuals, 1928-29. £	Budget, 1929-30. £	Increase. £	Decrease. £
High Commissioner.								
Salaries	127,834	140,777	142,043	148,459	154,321	174,600	46,766	..
Stores Department: Wages and Professional Inspection of Stores	58,411	82,201	88,856	94,795	92,270	91,350	32,939	..
Other Expenses	14,119	14,655	15,913	12,361	13,361	17,850	3,731	..
India House	..	..	..	18,506	65,763	219,975	219,975	..
Deduct—								
Share of the cost of the High Commissioner's establishment recovered from Provincial Governments, etc.	—21,964	—24,458	—24,825	—26,181	—27,216	—26,325	..	4,631
Recoveries in respect of Stores	—39,413	—84,566	—96,802	—132,400	—76,958	—78,300	..	38,887
Other Recoveries	—4,212	—2,038	—2,185	—2,305	..	..	4,212	..
Total	218,375	202,456	221,488	215,675	321,521	511,125	336,973	44,223
						Net Increase	292,750	

TABLE B.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
India Office.								
Salaries	26,08	25,28	25,15	25,13	24,89	25,48	..	60
Other Expenses	4,06	3,27	3,43	3,65	3,27	3,87	..	19
Deduct—								
Contribution by His Majesty's Government	—18,75	—18,21	—15,10	—14,85	—14,81	—14,42	4,33	..
Miscellaneous Receipts	..	—30	—29	—30	..	..	..	..
High Commissoner.								
Salaries	17,48	18,64	19,03	19,88	20,61	23,28	5,80	..
Stores Department: Wages and Professional Inspection of Stores	7,99	10,91	11,91	12,69	12,32	12,18	4,19	..
Other Expenses	1,93	1,95	2,13	1,74	1,77	2,38	45	..
India House	..	..	..	2,48	8,80	29,33	29,33	..
Deduct—								
Share of the cost of the High Commissioner's establishment recovered from Provincial Governments, etc.	—2,97	—3,19	—3,33	—3,50	—3,63	—3,51	..	54
Recoveries in respect of Stores	—5,39	—11,23	—12,97	—17,73	—10,28	—10,44	..	5,05
Other Recoveries	—57	—27	—28	—31	..	..	57	..
Total	29,86	26,85	29,68	28,88	42,94	68,15	44,67	6,38
						Net Increase	38,29	

2. It will be seen from Table B that the total expenditure has risen during the period by as much as 38,29. Of this growth, 29,33 is due to the construction of India House, which has now been completed; while recoveries amounting to 3,84 and mainly connected with the purchase of stores for India, which were included as revenue in the budget estimates of 1929-30, would have been brought to account by deduction from expenditure in 1924-25. The true increase, which requires explanation, is thus 5,12.

3. The bulk of the true increase is due to the reduction from £137,100 to

£108,150 of the contribution paid by His Majesty's Government towards the cost of the India Office. This reduction was made after a careful examination, by an inter-departmental committee in London, of the figures on which the previous calculation was based; and was due in the main to the rectification of imperfect *data* adopted in the original calculation, though the reduction in the cost of the India Office was also taken into account. A further increase of 53 is due to the transfer from the head Miscellaneous of the cost of examination expenses connected with the Indian Civil Service. The cost of the High Commissioner's Trade Department has risen from 33 to 1,71 during the period, and the full amount of 1,71 constitutes an addition under the present head, since the cost of this department was, in 1924-25, debited to the head Miscellaneous Departments. These three items together represent a total of 6,57, which exceeds the true increase under the head. On the other hand, there has been a decrease in the *net* cost of providing stores for India; a growth under Salaries of the High Commissioner's office and under Wages and Professional Inspection being more than set off by an increase under Recoveries, including those credited as revenue to which reference has been made in para. 2 above. The gross increase under Stores is largely due to the transfer of the Great Indian Peninsula and Burma Railways to State management; the amount of stores purchased for railways having increased by over £2 millions during the period. The *net* decrease connected with Stores was sufficiently large to counterbalance an appreciable growth in the salaries of other sections of the High Commissioner's office.

Account No. 33.—Expenditure in England on General Administration apart from that connected with the Establishments and Offices of the Secretary of State and the High Commissioner.

The following two statements exhibit the expenditure under this head in each of the six years under review. Table A gives the figures in pounds sterling, and Table B converts them into thousands of rupees at the average exchange rate of each year.

TABLE A.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	£	£	£	£	£	£	£	£
Leave Salaries and Deputation Pay.	54,997	39,464	45,540	35,715	31,182	34,950	..	20,047
Overseas Pay	5,872	11,745	14,376	14,881	13,723	14,250	8,378	..
Stores for India . .	154	120	40	59	33	225	71	..
Other Charges .	2,396	8,333	2,347	5,542	6,836	6,000	3,604	..
Total	63,419	59,662	62,303	56,197	51,774	55,425	12,053	20,047
						Net Decrease		7,994

TABLE B.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leave Salaries and Deputation Pay.	7,55	5,26	6,08	4,78	4,16	4,66	..	2,89
Overseas Pay	80	1,56	1,95	1,99	1,83	1,90	1,10	..
Stores for India . . .	2	1	1	1	..	3	1	..
Other Charges	32	1,10	32	74	91	80	48	..
Total .	8,69	7,93	8,36	7,52	6,90	7,39	1,59	2,89
						Net Decrease		1,30

2. It will be seen from Table B that the expenditure has decreased by 1,30 during the period under review. The principal factor in the decrease is a fall of 2,89 in the amount paid as leave-salaries and deputation pay. Such expenditure had attained a high level in 1924-25 and the two preceding years. It fell considerably in 1925-26, and has never worked back to its former height. No definite explanation of this phenomenon is forthcoming, but it is probably due to the exhaustion of the considerable arrears of leave which accumulated during the War. On the other hand, with the extension of Lee concessions, the expenditure on Sterling Overseas Pay has increased by 1,10.

3. The growth under "Other Charges" is due to the transfer from the head Miscellaneous to this head of such part of the cost of examinations, etc., for the Indian Civil Service as has not been passed on to the local Governments. The provision on this account in the budget for 1929-30 was 53.

Account No. 34.—Accounts and Audit.

In the field of accounts and audit, the principal feature of the period under review has been the progress made in the separation of the responsibility for audit from that for the compilation of the accounts. The main principle followed has been to entrust the latter to representatives of the Finance Department and to restrict the Auditor General and his staff to audit functions proper. Prior to this development, the Auditor General was responsible for compilation as well as for audit; with the result that, although there was an effective scrutiny by audit of the majority of the financial transactions reflected in the accounts, there was no real audit of the accounts themselves.

2. In pursuance of the new policy, a complete and final separation of the two functions has been effected in the case of the Military and Railway accounts; and a similarly complete, though in this case experimental and temporary, separation in respect of the accounts of transactions, both central and provincial, occurring in the United Provinces. Experiments on the same lines are in progress in respect of the accounts of :—

(*a*) The administrations of the North-West Frontier Province, Delhi (Civil) and Bangalore.

(*b*) The Secretariat establishments of the Central Government.

(*c*) A number of the more important civil departments of the Government of India.

(*d*) The bulk of the central expenditure recorded in Calcutta.

(*e*) The Customs Department in Calcutta.

(*f*) The New Capital project in Delhi.

It would be a comparatively simple matter to extend the procedure to the balance of the expenditure of the Central Government.

3. A further feature of the period under review has been the initiation of a Commercial Audit branch of the Auditor General's establishment.

4. The present memorandum deals with the entire expenditure of the central Government on accounts and audit with the following exceptions :—

(i) The outlay of the Railways on both accounts and audit; which, in view of the fact that the Railway Department is a commercial department, is debited to that Department.

(ii) The outlay on the compilation of military accounts, which is a charge on the military budget. Audit proper, in this case, is debited to the head Audit, and is therefore included in the memorandum.

(iii) The outlay on the compilation and audit of the accounts of the Posts and Telegraphs Department, both of which functions are still performed by a "combined" staff under the Auditor General. This outlay is debited in the accounts of the commercial department concerned.

(iv) The cost of the compilation, but not the audit, of the accounts of the New Capital project, which is debited to a capital head outside the revenue accounts.

5. The accounts of the period under review are complicated by the fact that, during the experimental period of separation, it has not been deemed advisable

to evolve a uniform and standard system of accounting for the expenditure of the separated offices. The general principle originally accepted was that the cost of separation is a proper charge against the head General Administration and not against the head Audit. As a result, the method adopted in the initial stages was to leave as a charge against Audit the pay, allowances, etc., of officers and clerks actually transferred to the new account offices, and to debit to General Administration the cost of new *personnel* and other new charges. This plan is still followed in the majority of the experimental offices, but in the case of the United Provinces General Administration is now debited with the full cost of the account offices, while the head Audit bears the cost of the audit staff proper. This difference in accounting procedure, coupled with the fact that the complete expenditure on pay and allowances of officers debitable to the head Audit is recorded under a single minor head in the books of the Accountant General, Central Revenues, and is not distributed over the various offices in which officers are actually employed, makes it impracticable to follow the theoretically desirable course of exhibiting the total expenditure under the three separate headings (*a*) Accounts, (*b*) Audit and (*c*) Combined Offices.

6. The following table has therefore been prepared, distributing over the ordinary sub-heads the total expenditure of the central Government on accounts and audit, excluding the items enumerated in paragraph 4 above, whether debited to the head Audit or to General Administration. An attempt will be made in a later paragraph to estimate the proportion of the increase of expenditure which is due to the essays in separation so far made.

TABLE A.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget. 1929-30.	Increase.	Decrease.
Charges in India.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers .	18,62,895	19,31,872	20,91,766	22,49,182	23,23,160	24,79,300	6,16,40	..
Pay of Establishments . .	55,13,047	61,24,068	66,99,747	71,66,744	76,54,241	83,50,344	28,37,297	..
Establishment Charges paid to other Governments, etc.	88,985	65,406	36,139	18,182	2,800	2,800	..	86,185
Allowances, Honoraria, etc. .	6,48,538	6,74,447	7,56,028	7,55,851	8,09,809	8,72,845	2,24,307	..
Supplies and Services and Contingencies .	4,53,347	4,93,220	5,22,333	5,31,446	5,88,900	6,44,915	1,91,568	..
Grants-in-Aid and Contributions	..	..	..	2,100	75	..	..	..
Works . .	..	..	..	..	6,494	8,850	8,850	..
Deduct—Recoveries from other Governments, etc. . .	—9,03,533	—9,92,870	—11,18,566	—12,86,000	—10,28,222	—11,81,151	..	2,77,621
Deduct—Probable Savings .	..	..	..	..	..	—1,93,900	..	1,93,900
Total .	76,63,279	82,96,143	89,87,447	94,37,505	1,03,57,257	1,09,84,000	38,78,427	5,57,706
Charges in England.								
Home Auditor & his staff .	1,40,700	1,47,030	1,55,870	2,15,770	2,18,320	2,25,000	84,200	..
Deduct—Recoveries from His Majesty's Treasury	—78,000	—67,190	—35,250	—45,830	—75,830	—45,000	33,000	..
Other Charges .	1,46,359	1,81,051	1,56,869	2,91,107	1,87,270	2,17,000	70,641	..
Loss by Exchange	75,327	85,515	94,339	2,180	624	..	..	75,327
Total .	79,47,765	86,42,549	93,59,275	99,00,732	1,07,17,641	1,13,81,000	40,66,26	6,33,033
						Net Increase .	34,33,235	

7. The more important variations under individual sub-heads of account are examined below :—

(*a*) *Pay of Officers* +6,16

The following table shows the sanctioned strength of various classes of officer on the 1st April 1924 and the 1st April 1930, respectively :—

TABLE B.

	1924.	1930.	Increase (+) Decrease (—)
Auditor General	1	1	..
Controller of Civil Accounts	..	1	+1
Accountants General, Class I	2	1	—1
Accountants General, Class II	8	10	+2
Director of Commercial Audit	..	1	+1
General List, Class I	8	12	+4
General List, Class II.			
Sanctioned charges	56	63	+7
Probationers	4	14	+10
Assistant Accounts and Audit Officers	42	85	+43
Senior Local Fund Auditors	..	21	+21
Total	121	209	+88

Certain comments on the above table are necessary :—

(i) The posts of Controller of Civil Accounts and Director of Commercial Audit were newly created during the period.

(ii) The decrease of one officer in the grade of Accountant General, Class I, is an accident only; as more officers of this grade were serving on the Railway side in 1930.

(iii) Under Accountants General, Class II, an increase of one officer is counterbalanced by a fall of one under Accountants General, Class I. A temporary post in Class II on the headquarters staff for the separation of accounts from audit has been abolished; there has been an increase of 1 permanent post for the Director of Army Audit; and the temporary post of Audit Officer, Lloyd Barrage and Canals Construction, has been converted from the standing of Class I in the General List to that of Accountant General, Class II.

(iv) The appointment of the Director of Commercial Audit was a necessary feature of the development of this new branch of audit activities.

(v) The following new posts in Class I of the General List have been created during the period under review :—

2 permanent posts of Deputy Director, Army Audit;

1 temporary post in the separated Account Offices of the United Provinces;

1 temporary post of Pay and Accounts Officer, North-West Frontier Province.

The reduction of one temporary post owing to the improvement of the status of the Audit Officer, Lloyd Barrage, is set off by the fact that there was no member of the Indian Civil Service serving as Deputy Accountant General in 1924, while one member was so serving on the 1st April 1930.

(vi) There was during the six years' period an increase of 5 permanent and 2 temporary posts in Class II of the General List. Of the permanent posts, 3 were created in the office of the Director of Commercial Audit and 1 each in those of the Auditor General and the Accountant General, Central Revenues. There are 2 new temporary posts in Commercial Audit and 1 in United Provinces Accounts; and a reduction of

1 such post in the Central Revenues office. The increase of expenditure under this class is, however, considerably greater than the figures of new posts created would suggest. As many as 5 sanctioned posts were vacant at the beginning of 1924-25; while there were no more than 4 probationers on duty, which meant an appreciable shortage in the training reserve. The vacancies have since been filled, and the number of probationers on the 1st April 1930 was 14, which is an approximately normal figure.

The resulting growth of expenditure has been reduced by a fall of nearly Rs. 200 a month in the average pay drawn by members of Class II. This is due partly to the large influx of recruits on the lowest stage of the time scale and partly to the retirement of officers who entered the service before 1921 and drew pay on a higher scale.

(vii) The bulk of the increase of expenditure under the sub-head Pay of Officers is the result of the addition of new posts of Assistant Accounts Officer and Assistant Audit Officer. The total number of officers of this class has risen from 42 to 85 during the period; 22 of the new posts being temporary and the remaining 21 permanent. The following are the new posts which have come into existence:—

Office of the Auditor General . .	+1
Office of the Examiner, Customs Accounts.	+1
Office of the Audit Officer, Indian Stores Department.	+2
Office of the Accountant General, Central Revenues.	+2
Office of the Accountant General, Madras (including Cauvery Metur Audit Office.)	+3
Office of the Accountant General, Bengal.	+3
Office of the Director of Audit, United Provinces.	—1
United Provinces Account offices .	+12
Office of the Accountant General, Punjab (including Hydro-Electric Scheme Audit Office and North-West Frontier Province separated Offices).	+4
Office of the Accountant General, Burma.	+1
Office of the Accountant General, Bihar and Orissa.	+1
Office of the Comptroller, Assam .	+1
Office of the Director of Army Audit .	+4
Office of the Director of Commercial Audit.	+3
Pay and Account Offices outside the United Provinces and the North West Frontier Province.	+6
	+43

It will be seen that approximately 20 of the new posts are due to the separation of accounts from audit on the Civil and 4 on the Military side; 6 are due to the creation of new offices, whether permanent or temporary; and the balance of 13 is the result of ordinary expansion of work. The latter figure includes, however, several posts created in the interests of Local Fund Audit, the cost of which is largely recovered either from local Governments or from the bodies whose accounts are audited.

(viii) The increase under the heading Senior Local Fund Auditors is purely nominal. These officers were granted gazetted status in 1928-29, and their cost, which was estimated at 92 in the budget of 1929-30 against 65 in 1924-25, was accordingly transferred to this sub-head from the sub-head Pay of Establishments.

(*b*) *Pay of Establishments* ... +28,37

(i) The following table sets forth the expenditure under this sub-head, in each of the offices of Accounts and Audit with which this memorandum is concerned, in the first and last years of the period under review. The various Pay and Account Offices which constitute the experimental separated accounting establishments have in each case been grouped with the parent "combined" office out of which they developed, and the increase for the entire group has been shown in the last column of the table.

TABLE C.

	Actuals, 1924-25.	Budget, 1929-30.	Increase.
	Rs.	Rs.	Rs.
Auditor General	1,93,469	2,73,600	80,131
Headquarters staff in charge of Separation	7,286	15,000	7,714
Director of Army Audit	31,328	2,10,200	1,78,872
Director of Commercial Audit	..	1,00,600	1,00,600
Examiner, Customs Accounts	18,163	43,400	25,237
Examiner, Press Accounts	20,824	43,300	22,476
Audit Officer, Indian Stores Department	43,719	2,21,680	1,77,961
Accountant General, Central Revenues	4,11,604	4,60,200	
Deputy Accountant General, Central Revenues			
Pay and Accounts Officer, Survey of India	22,931	82,600	2,43,902
Pay and Accounts Officer, Miscellaneous Central Departments	19,485	75,100	
Pay and Accounts Officer, Delhi Civil Administration	78	20,100	
Pay and Accounts Officer, Secretariat	..	60,000	
Accountant General, Madras	5,50,340	7,26,400	1,88,489
Pay and Accounts Officer, Bangalore	6,271	18,700	
Accountant General, Bombay	7,53,695	9,92,951	3,17,031
Audit Officer, Lloyd Barrage and Canal Construction	73,794	1,51,569	
Accountant General, Bengal	7,33,601	9,90,400	2,56,799
Accountant General, United Provinces	5,93,278	..	
United Provinces, Central Accounts Office	..	64,000	
United Provinces, Provincial Account Offices	18,445	6,07,800	2,85,077
Director of Audit, United Provinces	..	2,25,000	
Accountant General, Punjab	5,95,468	8,46,876	3,10,208
Pay and Accounts Officer, N.-W. F. P.	..	58,800	
Accountant General, Burma	5,35,297	8,39,500	3,04,203
Accountant General, Bihar and Orissa	3,99,474	4,68,934	69,460
Accountant General, Central Provinces	2,84,572	3,94,652	1,10,080
Comptroller, Assam	1,99,925	2,53,082	53,157
Lump sum Reserve for temporary establishment	..	1,00,000	1,00,000
Other general provisions	..	5,900	5,900
Total	55,13,047	83,50,344	28,37,297

It must be explained that, in all cases in which local fund audit work is still performed by an establishment primarily controlled by a central Accountant General, the complete cost of such establishment is included in the figures given above; although a great part of it is eventually recovered from the local Government concerned. The recoveries so made are brought to account, with certain other recoveries, under the sub-head *Deduct*—Recoveries from other Governments, etc. The deductions made under that sub-head have grown considerably during the period under review, and an appreciable proportion of the growth of expenditure under Pay of Establishment is nominal only.

(ii) Before examining the increase of expenditure in individual offices, it is desirable to make some preliminary remarks on the main reasons which have caused that increase. They may be summarised under three main heads: —

(1) Increase of establishment, due to new activities, the separation of accounts from audit and general increase of work.

(2) The accrual of increments to staff recruited before the beginning of the period under review.

(3) Revisions of rates of pay.

(iii) In order to illustrate the growth of establishments during the period under review, the following table has

been prepared, showing the approximate sanctioned strength of the permanent and *quasi*-permanent staff of accountants, clerks of all kinds and inferior servants, in each of the offices concerned, on the 1st April 1924 and the 1st April 1930 respectively. The figures, which are taken from the Demands for Grants, are probably not entirely accurate, but they are sufficiently correct for the purposes of a general comparison.

TABLE D.

	1st April 1924.		1st April 1930.		Increase.	
	Clerical staff.	Inferior servants.	Clerical staff.	Inferior servants.	Clerical staff.	Inferior servants.
Auditor General	91	29	105	39	14	10
Headquarter staff in charge of separation	2	7	4	6	2	—1
Director of Army Audit	16	6	111	33	95	27
Director of Commercial Audit	..	..	75	30	75	30
Examiner of Customs Accounts	7	2	19	4	12	2
Examiner of Press Accounts	12	4	23	4	11	..
Audit Officer, Indian Stores Department	19	7	107	24	88	17
Accountant General, Central Revenues	232	34	278	70		
Deputy Accountant General, Central Revenues	76	12	..	..		
Pay and Accounts Office, Survey of India	..	..	42	7	120	49
Pay and Accounts Office, Miscellaneous	..	..	48	6		
Pay and Accounts Office, Delhi, Civil	..	..	15*	3†		
Pay and Accounts Office, Secretariat	..	..	45	9		
Accountant General, Madras	404	85	425	101		
Audit Office, Bangalore	..	..	4	1	37	20
Pay and Accounts Office, Bangalore	..	..	12‡	3§		
Accountant General, Bombay	..	..	521	107	59	13
Audit Officer, Lloyd Barrage	563	116	101	22		
Accountant General, Bengal	452	107	493	121	44	15
Pay and Accounts Office, Customs	..	..	3	1		
Accountant General, United Provinces	465	76	..	..		
United Provinces, Central Account Office	..	..	49	7	181	42
United Provinces, Provincial Account Offices	..	..	458	73		
United Provinces, Director of Audit	..	..	139	38		
Accountant General, Punjab	358	83	414	103	124	33
Pay and Accounts Office, North-West Frontier Province	..	..	68	13		
Accountant General, Burma	378	64	446	75	68	11
Accountant General, Bihar and Orissa	241	56	262	62	21	6
Accountant General, Central Provinces	198	51	225	65	27	14
Comptroller, Assam	133	31	139	37	6	6
Total	3,647	770	4,631	1,064	984	294

* Excludes 7 members of the Treasury establishment taken over with the Treasury.

† Excludes 13 members of the Treasury establishment taken over with the Treasury.

‡ Excludes 1 servant of the Treasury establishment taken over with the Treasury

§ Excludes 3 servants of the Treasury establishment taken over with the Treasury

It will be noticed that the above table contains figures of staff for the offices of the Audit Officer, Bangalore, and the Pay and Accounts Officer, Customs, Calcutta, although no figures of expenditure on these offices are given in Table C. The reason is that the establishment of these offices is paid from the grant for the offices of the Accountants General from which the staff was provided.

In addition to the permanent and *quasi*-permanent staff enumerated in Table D, there was provision of 4,35 in the budget of 1929-30 for miscellaneous temporary establishment, compared with a provision in 1924-25 of 2,03 on the same account. The increase is partly due to the inclusion in 1929-30 of provision for the temporary audit offices for the Hydro-Electric Scheme in the Punjab and for the Cauvery Metur Project in Madras, which were not in existence in 1924-25; and partly to the fact that the demands of several Accountants General for increased staff were met by sanction to temporary establishment pending the completion of an investigation into the possibility of standardising rates of work in certain sections of the combined offices of accounts and audit.

It will be noticed that, whereas the total outlay on Pay of Establishments, excluding the provision for miscellaneous temporary staff, has grown by 49 *per cent.* during the period under review the numbers of clerical establishment have expanded by no more than 27 *per cent.* and those of inferior servants by 38 *per cent.* Bearing in mind the fact that, in the case of clerical services, most of the new recruits have not yet attained to the average rates of pay on their time-scales, it is clear that less than three-quarters of the total increase of cost can be ascribed to the growth of numbers.

(iv) Another prominent cause of increase is the accrual of increments to additional establishment recruited immediately prior to the period under review. The years preceding 1924-25 saw very large additions to the establishments of the offices concerned. These represented, in some degree, the rectification of long-standing shortage of staff, but to a greater extent provision against the elaboration of accounts which was necessarily involved by the reformed constitution. The process commenced in 1921, when the strength of the Bombay office was argumented. Madras, Bengal, Burma and the Central Provinces received their increases in 1922; the Punjab, Central Revenues, the United Provinces and Assam in 1923 and Bihar and Orissa in 1924. Between the 1st April 1920 and the 1st April 1924, the strength of clerks alone, excluding Accountants, rose by very nearly 30 *per cent.* in the ten big combined offices. The rates of increment on the clerical time-scale are so fixed that the pay of a clerk, in practically every office, doubles after approximately eight years of service, while in certain offices the period is appreciably smaller. It can be calculated that the cost of increments accruing during the six years under review to the clerks, numbering approximately 750, who were recruited to new posts in the four years immediately preceding it, was in the neighbourhood of $3\frac{3}{4}$ lakhs. Similarly, the increments of the 87 Accountants appointed to new posts during the same period amounted roughly to $1\frac{1}{4}$ lakhs. The total increase of expenditure on this account may therefore be estimated as approximately 5 lakhs.

It is relevant to inquire to what extent this increase through increments is likely to continue in the future. No very definite reply can, however, be given to the question. Satisfactory life and service tables, from which the average official life of a clerk can be deduced, are not available. Statistics of casualties in the principal civil offices of accounts and audit have, however, recently been collected, and suggest that the official life of a clerk in those offices averages from ten to twelve years. If this is correct, the effect of the increments earned by the incumbents of posts newly created between 1920 and 1924 should reach its maximum in the course of the next two or three years; though that of the increments accruing to holders of posts created during the period under review must continue for some years to come.

(v) The single important revision of pay sanctioned during the six years' period was that of the pay of Accountants which was effected in January 1925. The average cost of this revision, in respect of the offices with which this memorandum is concerned, was estimated to be about 1,75; and this figure must by this time have been reached. The

change has, in addition, increased by about Rs. 50 a month the cost of each of the 190 new posts of Accountant created during the period under reivew.

(vi) The main general causes of the increased expenditure of 28,37 under Pay of Establishment may now be summarised by stating that approximately $2\frac{1}{4}$ lakhs of it is due to the increased provision for temporary establishment; about 5 lakhs to the effect of increments earned by recruits to posts created between 1920 and 1924; about $2\frac{3}{4}$ lakhs to revisions of pay; and the balance of approximately $18\frac{1}{4}$ lakhs to increases of permanent establishment sanctioned during the period under review. Brief comments upon the more important increases of expenditure in individual offices, recorded in Table C, are offered below:—

Auditor General ... +80

The growth is mainly due to the increase by 10 of the posts of Accountant on the Auditor General's staff, which carry pay at the revised rate sanctioned in 1925. The expansion is due to the general increase of work.

Director of Army Audit ... +1,79

This increase is the direct result of the separation of accounts from audit on the Military side, which entailed the recruitment of a large new establishment.

Director of Commercial Audit +1,01

As already explained, the Commercial Section of the Audit Department was newly opened during the period under review to deal with an important, but previously rather neglected, branch of audit work.

Examiner of Customs Accounts +25

The principal cause of the increase was the institution of an experiment in continuous audit of Customs accounts in Calcutta, which, it is claimed, has saved more money than it has cost.

Examiner of Press Accounts +22

The principal factor in the growth of expenditure was an expansion of establishment in order to secure a check over the allocation to Commercial departments of the cost of Stationery and Printing.

Audit Officer, Indian Stores Department ... +1,78

This office has steadily developed, simultaneously with the work of the Indian Stores Department itself, during the period under review. Practically the whole of its expenditure is, however, recovered from the Stores Department and brought to account under the sub-head *Deduct*—Recoveries from other Governments, etc. The propriety of continuing to make such a recovery is, it is understood, under consideration.

Accountant General, Central Revenues, and dependent Pay and Account Offices ... +2,44

A considerable proportion of the increase is due to expansion of establishment in connection with the experiments in separation of accounts from audit. Clerical staff has grown, during the period, by 120, in spite of the surrender of 20 men to the Central Accounts Office, Public Works Department, which is financed from the New Capital budget. The provision made in the budget of 1929-30 for the pay of the men surrendered was 35. A great part of the growth of establishment was, however, due to the needs of the main office itself; which, having absorbed the independent office of the Deputy Accountant General at Delhi on its own transfer to that city, and having made over 20 Accountants and clerks to the P. W. D. Office and about 85 with their work to the Pay and Account Offices, still employs 278 men against 308 in 1924-25. Moreover, the clerical staff of the main office grew by about 110 between the 1st April 1920 and the 1st April 1924, so that the effect of increments in this case is considerable.

Accountant General, Madras +1,88

A considerable portion of the increase is the result of the institution of the temporary audit office for the Cauvery Metur project. The provision for temporary establishment in 1929-30 was 46, against a provision of 11 in 1924-25; and the bulk of this growth may be ascribed to the new office. The growth of permanent establishment during the period under review has been comparatively small, but there was a big expansion of over 120 hands between the 1st April 1920 and the 1st April 1924. The institution of the Pay and Accounts Office at Bangalore has added very little to the cost.

Accountant General, Bombay +3,17

Making allowance for the fact that the cost of senior Local Fund auditors,

which was 65 in 1924-25, has been transferred to the sub-head Pay of Officers, the true increase has been one of 3,82. Of this, 91 is due to the development of the Audit Office for the Lloyd Barrage in Sind, which was in its infancy in 1924-25. There has been an increase of about 23 in the provision for temporary staff, while the growth of establishment in 1920-24 was as great as that which occurred in Madras.

Accountant General, Bengal +2,57

There was an increase of clerical staff by 44 between 1924 and 1930, and by about 65 between 1920 and 1924. The provision of 1929-30 for temporary establishment exceeded that of 1924-25 by approximately 35; this being one of the offices in which large demands for additional permanent staff are being held over.

United Provinces, Accounts and Audit +2,85

These are the offices in which complete experimental separation of accounts from audit has been effected. Largely owing to this separation, there was a growth by 181 of clerical staff; while the four years immediately preceding the period under review saw a growth of about 98. It will be seen that the increase of expenditure in these offices exceeds by about 70 the average increase in combined offices of similar size. It must, however, be remembered that the increments accruing to the 181 new recruits must operate steadily to increase the total outlay for some years to come.

Accountant General, Punjab +3,10

The cost of this office has been increased by the institution of the temporary audit office for the Hydro-Electric Scheme at Jogindarnagar, and by the separation of accounts from audit in the North-West Frontier Province. The latter has cost approximately 59, while the effect of the temporary office is reflected in the provision for temporary establishment which has risen from 56 in 1924-25 to 95 in 1929-30. The clerical staff grew by about 110 between 1920 and 1924, and, excluding new hands engaged for the Peshawar office, by 95 during the period under review.

Accountant General, Burma +3,04

The principal factors in this increase are a growth of clerical staff by about 75 in 1920-24 and by 68 in 1924-30. An additional cause of increase is the fact that compensatory allowances, to the total of about 92, were merged in pay, and therefore transferred to this sub-head, in the course of the period under review. The true increase is therefore 2,12.

Accountant General, Bihar and Orissa +69

Accountant General, Central Provinces +1,10

Comptroller, Assam +53

The expansion of staff, both before and after the 1st April 1924, is the principal cause of the increase in these cases.

Lump Sum Reserve for temporary establishment. +1,00

This provision, which is retained by the Auditor General for distribution among his subordinate offices, is not a new provision. It was made in 1924-25 also but, in the accounts of that year, the expenditure from the provision was debited to the offices which actually utilised it.

(*c*) *Allowances, Honoraria, etc.* +2,24

Allowing for the merger in pay of compensatory allowances in Burma which were formerly debited to this sub-head, the true increase is one of 3,16. This may be ascribed generally to the creation of new offices; the increase of staff; and the expansion of local audit activities, entailing larger outlay upon travelling.

(*d*) *Supplies and Services and Contingencies.* +1,92

The budget of the Auditor General's office in 1929-30 contained provision of 75 for the cost of priced publications of Government to be supplied to all the offices under his control. The estimate proved to be unduly high, but in any case the expenditure, if incurred, would have been counterbalanced by corresponding revenue under the head Stationery and Printing, and is therefore nominal only. The balance of the increase under this head is a necessary result of the expansion of the activities of the department.

(*e*) *Establishment charges paid to other Governments, etc.* — 86

There are two main causes for this decrease. The first of these is the transfer to staff under the control of the Auditor General of local inspection work previously performed by provincial establishments in Madras and

Burma. The second is the discontinuance of audit, on behalf of the Auditor General, of the accounts of the Jorhat Provincial Railway, which has been leased to a Company.

(*f*) *Deduct—Recoveries from other Governments, etc.* — 2,78

The principal items of increased recoveries are the following:—

+1,54 Increased recoveries from the Indian Stores Department by its Audit Office.

+75 Increased recoveries recorded in the Punjab Books, due partly to the growth of deposit work in connection with the Sutlej Valley Project, and partly to increased local audit performed on behalf, and at the expense, of the local Government.

+56 Due to the increase of local audit work in Bengal.

+35 Due to the increase of local audit work done by the staff of the Accountant General, Central Revenues.

Against the above must be set off the abolition of recoveries, amounting to about 36 in 1924-25, from the Shan States Federation for audit and accounts work performed on its behalf. Such recoveries have been ruled to be improper.

(*g*) *Charges in England and Loss by Exchange.* +1,13

The following table shows the actual sterling charges of each of the six years:—

TABLE E.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.
	£	£	£	£	£	£	
Home Auditor and Staff	14,080	14,703	15,587	16,183	16,375	16,875	2,795
Deduct—Recoveries from His Majesty's Treasury	—7,800	—6,719	—3,525	—3,437	—3,437	—3,375	—4,425
Other charges . .	14,636	18,105	15,687	21,832	14,047	16,275	1,639
Total .	20,916	26,089	27,749	34,578	26,985	29,775	8,859

It will be seen that there has been a steady increase in the cost of the India Office Auditor and his establishment, while the recoveries from the British Government have fallen as more and more work has been transferred from the Secretary of State in Council to the High Commissioner. Other charges, consisting mainly of leave salaries, deputation pay and sterling overseas pay, have shown the fluctuations which invariably occur in respect of those items.

8. As a preliminary to summarising the reasons for the growth of expenditure under this head, it seems desirable to investigate the exact effect upon it of the separation of accounts from audit so far as it has gone at present. The relevant figures must, however, be approximations only. As the pay of officers actually employed in each office is not separately recorded, it is necessary to adopt the average pay of each class of officer concerned. This is, however, possibly an advantage, as it discounts accidental variations due to the employment in particular offices of unusually senior or unusually junior officers. Proceeding on these lines, the increase of expenditure due to the separation of military audit from accounts may be put at 3·25. Of the civil offices, attention may first be devoted to the United Provinces, in which complete separation has been effected. The following figures of expenditure are instructive:—

Office.	1924-25.	1929-30.	Increase. Amount.	Increase. Percentage.
Accountant General, Bengal	7·99	10·42	2·43	30
Accountant General, Burma	8·19	10·67	2·48	30
United Provinces Offices	7·87	12·44	4·57	58

It appears that, in two combined offices of accounts and audit, approximately equal in size to the old combined office in the United Provinces, the normal growth of work, accrual of increments, etc., have caused an increase of expenditure by 30 *per cent.* in six years, or of 5 *per cent.* a year. It is therefore permissible to ascribe, in the United Provinces also, 30 *per cent.* of the increase to similar causes, and to assume that the remainder, amounting to 2·21, is the real cost of separation. In the case of the remaining separated offices, the extra cost after separation is recorded in the accounts and may be set out as follows:—

Pay and Accounts Officer, Survey of India.	40
Pay and Accounts Officer, Miscellaneous Central Departments.	37

Pay and Accounts Officer, Delhi Civil Administration.	6
Pay and Accounts Officer, Secretariat.	62
Pay and Accounts Officer, Bangalore	18
Pay and Accounts Officer, Customs, Calcutta.	11
Pay and Accounts Officer, North-West Frontier Province.	1,09
Total .	2,83

In this case also, it is legitimate to make some deduction on account of the normal growth of the work and establishments transferred from the parent combined offices to the separated account and audit offices. The true increase due to separation may, at an outside estimate, be put down at 2,40. The approximate increase due to separation may therefore be stated as 3,25 on account of military test audit, 2,21 in the United Provinces and 2,40 in the remaining civil offices: the total being 7,86.

9. It is now possible to summarise as follows the principal causes of the total increase of 34,33 under this head as a whole :—

+2,55	Nominal increases, covered by specific increase of revenue.
+3,25	Cost of the Commercial Audit Section of the Audit Department.
+1,44	Temporary Offices for the Cauvery Metur Project and Punjab Hydro-Electric Scheme.
+1,40	Development of *quasi*-permanent office for the Lloyd Barrage and Canals Construction.
+40	Intensification of the audit of Customs receipts.
+7,86	Cost of separation of accounts from audit.
+2,75	The effect of revision of pay.
+19,65	

These are, of course, round figures only. The balance of approximately 14,68 may be put down to the ordinary expansion of work and to the accrual of normal increments.

10. In conclusion, it should be stated that the effect of the increments accruing to the numerous additional clerks appointed to posts sanctioned between 1920 and 1924 is probably not yet exhausted, while increments earned in the new posts added during the period under review must cause increased expenditure for some years to come. There is therefore every prospect that outlay under this head will continue to grow steadily in the near future. The budget provision for 1930-31 exceeded by over 5 lakhs that of the preceding year.

Account No. 35.—Administration of Justice.

The following table shows the expenditure under this head in each of the six years under review. For convenience of reference, the receipts of the minor administrations under the head are shown at the foot of the table and the *net* expenditure deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
1	2	3	4	5	6	7	8	9
Charges in India.								
Contributions paid to Punjab Government	..	36,000	36,000	36,000	36,000	40,100	40,100	..
Judicial Commissioners . . .	81,443	81,814	1,30,777	1,35,722	1,41,239	1,46,500	65,067	..
Law Officers	98 948	97,772	1,86,507	1,34,384	1,72,443	1,19,800	20,852	..
Civil and Sessions Courts . .	6,22,300	6,47,457	6,59,338	6,86,604	7,01,393	7,13,000	90,700	..
Criminal Courts	2,65,677	2,97,362	3,64,780	3,28,093	3,38,431	3,41,900	76,223	..
Courts of Small Causes . . .	37,970	45,627	44,667	51,088	49,479	54,500	16,530	..
Works	122	..	1,707	746	3,591	200	78	..
	11,06,450	12,06,032	14,23,776	13,72,637	14,42,576	14,16,000	3,09,550	..
Charges in England.								
Leave Salaries, etc	36,598	86,436	30,327	17,502	52,957	74,000	37,402	..
Loss by Exchange	12,876	28,395	10,291	72	79	..	..	12,876
GRAND TOTAL .	11,55,924	13,20,863	14,64,394	13,90,211	14,95,612	14,90,000	3,46,952	12,876
						Net Increase .	3,34,076	
Revenue from Administration of Justice	4,16,658	3,68,992	3,61,518	3,90,765	3,55,103	3,61,000	..	55,658
Net Expenditure	7,39,266	9,51,871	11,02,876	9,99,446	11,40,509	11,29,000	3,89,734	..

2. The table shows an increase of 3,34 in gross and of 3,90 in *net* expenditure. The principal causes of increase are set out below.

Contributions paid to the Punjab Government. +40

These are new charges debited in the accounts of Delhi. They consist of a contribution of 36 on account of the work done for the province by the Punjab High Court, and another of 4 as remuneration for the training of officers in commercial law.

Judicial Commissioners +65

The principal items are the institution of an additional Judicial Commissioner and his staff in the North-West Frontier Province, which cost 48, and a new item of 9 in Ajmer-Merwara, which represents the cost of establishment provided for the Judicial Commissioner, Western India States, who serves Ajmer also. The balance is due to minor expansions and the accrual of increments.

Law Officers +21

The main causes are a contribution of 15 to the Bombay Government, on account of the services of the local law officers, which was sanctioned with retrospective effect from 1921-22, and an increase of 10 in the allowances paid to the Public Prosecutor in Delhi. There were minor decreases elsewhere.

Civil and Sessions Courts +91

There was an increase of 93 in the North-West Frontier Province, which is explained as due to a number of minor revisions of pay and expansions of staff, to normal increments and to over-provision for leave salary in the estimates of 1929-30. An increase of 10 in Central India, due to the assumption from the Army Department of the cost of Cantonment Magistrates' Courts, was counterbalanced by a corresponding decrease in Bangalore, owing to the transfer to the head General Administration of the cost of the District Magistrate and his staff.

Criminal Courts +76

The principal factors are:—

(1) an increase of 51 in the North-West Frontier Province, due to the growth of crime;
(2) an increase of 34 in Baluchistan, of which 29 is nominal only, being the result of a transfer of charges from the head Political;
(3) a growth of 24 in Delhi, on account of allowances and diet, etc., to witnesses, which was due mainly to the increase of criminal cases; and
(4) a nominal fall of 30 in Bangalore, due to the transfer to General Administration of the cost of the District Magistrate and his staff.

Courts of Small Causes +17

The growth is the result of minor increases in Delhi and Ajmer-Merwara.

3. It will be noticed that the transfers from and to other grants practically balance out, so that the increase of 3,34 in gross expenditure is a true increase. It may be summed up as due principally to the following causes:—

2,02 to the growth of civil and criminal work in the North-West Frontier Province;
55 to the payment of new contributions to the Punjab and Bombay Governments, on account of services which had been rendered ever since the institution of the reformed constitution; and
24 to the expansion of criminal work in Delhi.

The balance is due to minor increases under various heads in the various areas.

Account No. 36.—Jails and Convict Settlements.

The following table exhibits the expenditure under this head in each of the six years under review. For convenience of reference, the revenue from this subject has been inserted at the foot of the table and the *net* expenditure deduced.

Charges in India.	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Jails in Minor Administrations.								
Jails	7,72,859	8,32,480	8,76,653	9,17,323	9,49,468	10,14,350	2,41,491	
Charges for moving Prisoners	20,850	17,324	28,736	29,171	19,947	22,150	1,300	..
Jail Manufactures	90,835	74,234	81,567	96,686	1,16,038	1,22,900	32,065	..
Total Jails	8,84,544	9,24,038	9,86,956	10,43,180	10,85,453	11,59,400	2,74,856	..

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1028-29.	Budget, 1929-30.	Increase.	Decrease.
Convict Settlement in the Andaman and Nicobar Islands.								
Superintendence	2,10,165	2,41,186	2,35,035	3,06,449	2,40,124	2,72,300	62,135	..
Medical	1,02,201	97,281	87,569	89,135	1,29,558	1,65,300	63,099	..
Police	2,52,719	2,60,615	2,64,097	2,54,843	2,71,362	2,84,500	31,781	..
Marine	82,700	1,17,585	1,75,420	1,48,590	2,76,433	2,93,200	2,10,500	..
Education	23,555	24,530	27,397	40,161	39,623	47,900	24,345	..
Miscellaneous Jail Charges	3,22,521	3,40,848	7,08,288	8,25,999	8,52,998	9,21,600	5,99,079	..
Commissariat	6,87,164	5,56,125	3,21,758	2,07,613	1,26,308	2,81,800	..	4,05,364
Minor Departments	7,201	7,390	11 038	9,036	11,757	12,900	5,699	..
Charges in connection with the mail steamer "Maharaja"	10,24,747	7,66,346	1,61,466	2 03 056	1 79,905	2,61,100	..	7,63,647
Charges in connection with other steam vessels	..	..	2,91,376	2,37,800	86,191	2,91,000	2,91,000	..
Works	..	1,96,659	3,85,971	54,892	72,564	4 30,000	4,30,000	..
Deduct.—Probable Savings	..	..	..	..	..	—3,00,000	..	—3,00,000
TOTAL.—Convict Settlements	27,12,973	26,08,565	26,69,415	23,77,574	23,86,823	29,61,600	17,17,638	14,69,011
						Net Increase	2,48,627	
Charges in England	34,866	41,162	26,499	74,997	41,484	40,000	5,1.4	..
Loss by Exchange	12,940	13,511	9,010	349	43	..	..	12,940
GRAND TOTAL	36,45,323	35,87,276	36,91,880	34,96,100	35,13,803	41,61,000	5,15,677	..
Revenue	6,93,123	5,56,187	3,46,195	4,11,265	3,48,227	3,51,000	..	3,42,123
Net Expenditure	29,52,200	29,91,089	33,45,685	30,84,835	31,65,576	38,10,000		
						Net Increase	8,57,800	

2. It will be seen that the bulk of the expenditure relates to the Convict Settlement in the Andaman Islands, and this will be examined separately from the outlay on Jails in the other minor administrations.

3. The gross increase under Jails proper amounts to 2,75. Of this, 2,41 appears under the sub-head Jails, 32 under Jail Manufactures and the small residue under Charges for moving Prisoners. Of the increase under Jails, 1,82 occurred in the North-West Frontier Province, and was due almost entirely to the increase in Jail population, which necessitated some expansion of establishments and considerable additional outlay on dietary charges and other supplies and services. An increase of 52 in Baluchistan is due to the fact that that administration now pays the cost of maintaining its own long-term convicts, who are distributed over various provincial jails pending the completion of the construction of a new jail at Mach.

4. The increase under Jail Manufactures, which occurred in the North-West Frontier Province, is purely nominal. There was a new charge of 14 on account of a change in classification, representing the cost of convict labour for which the sub-head Jails now takes credit by deduction from expenditure, and additional revenue of 17.

5. Under Convict Settlements, the table shows a gross increase of 2,49. This does not, however, represent the full growth of expenditure. As will be explained below, it must be increased by 3,59, being the approximate amount of recoveries, credited as revenue in 1924-25, which are now brought to account by deduction from expenditure. The real increase thus becomes 6,08, and is due to the growth in the number of "self-supporter" convicts and the development of the Islands as a free settlement.

6. The principal variations under individual sub-heads of account for the convict settlement are examined below.

Superintendence .... +62

Of this, 14 represents revision of pay, 17 the cost of passages of self-supporters and 28 provision for the running of

motor lorries. The third item is counterbalanced by a decrease in the provision for animal transport under the sub-head Commissariat.

Medical ... +63

As much as 49 of this increase is purely nominal; 6 being a transfer from the head Forests and 43 from the sub-head Commissariat. The balance represents the cost of establishments employed to replace convict labour.

Police ... +32

The true increase, which is due to revision of pay, accrual of increments, etc., is 26, the remaining 6 having been transferred from other sub-heads.

Marine ... +2,10

The introduction of motor-boats and the replacement of convict labour cost 30. The balance is due to increased outlay on marine supplies, of which 1,32, representing the cost of new lighters, a steam launch and mooring gears, is non-recurring.

Education ... +24

This increase is due to the expansion of the free settlement. The five-year programme of educational development accounts for nearly one-third of it.

Miscellaneous Jail Charges +5,99

There are three important items under this sub-head. An increase of 4,82 is due to the increased grant of subsistence money to self-supporters, and is largely counterbalanced by savings under Commissariat Supplies. There is a reduction of 50 in the cost of clothing, due to the fall in the number of convicts. Finally, there is a nominal increase of 1,61 under freight and passage charges, set off by a deduction from expenditure under the sub-heads dealing with the S. S. "Maharaja" and the station ship.

Commissariat —4,05

This decrease is due to a fall in the cost of commissariat supplies, owing to the reduction in convict strength, and the replacement of animal by motor transport. As already explained, it is set off by increases under other sub-heads.

S.S. "Maharaja" —7,64
Other Steam Vessels +2,91 } —4,73

It will be convenient to consider these two sub-heads together. The second sub-head, so far as the budget for 1929-30 is concerned, relates to the cost of the station ship "Ahmadi", and had no counterpart in 1924-25. Of the combined decrease of 4,73, a great part is purely nominal. Recoveries from the Forest Department for freight, which were recorded as revenue under Jails and Convict Settlements in 1924-25, are now brought to account by deduction from expenditure. Exact figures of their amount are not available; but, as the revenue from Jails in the Andamans fell by 3,59 in the period under review, it will be reasonable to adopt this figure as a fair estimate. A further deduction of 1,61 is set off by expenditure recorded under the sub-head Miscellaneous Jail Charges. Finally, there is a fall of 1,19 in the combined cost of chartering the two vessels; the hire of the "Maharaja" having decreased by 4,01. On the other side of the account, there is a growth of 80 in the cost of fuel, due entirely to the needs of the second ship, and a growth of 1,00 in Port Expenses and other charges. The true increase of expenditure may be put at about 47; and may be ascribed to an increase in working expenses, caused by the employment of a second vessel, partially set off by a reduction in the price of charters and a larger transfer from Jails and Convict Settlements to Forests; the latter being justified by the larger amount of timber shipped by the Forest Department.

Works ... +4,30

The expenditure under this head is naturally non-recurring. The provision of 1929-30 included 30 for quarters for self-supporters and 4,00 for dredging operations in the interests of malaria prevention.

7. The general position under Convict Settlements may be summed up by stating that there has been a true increase of expenditure amounting to 2.49 *plus* 3.59, or 6.08. Of this, 4.30 under Works and 1.32 under Marine represent non-recurring expenditure. The balance of 46 is mainly due to outlay on the development of the Islands as a free settlement.

Account No. 37.—Police.

The following table shows the expenditure under this head in each of the six years under review. For convenience of reference, the figures of revenue have been set out at the foot of the table and the *net* expenditure deduced.

——	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Charges in India.								
Presidency Police . . .	1,66,719	2,50,652	1,30,701	1,25,978	1,46,158	1,57,000	..	9,719
Superintendence	1,00,205	95,471	1,02,501	1,35,219	1,69,878	1,80,150	79,945	..
District Executive Police . .	60,25,123	58,69,290	58,84,287	58,22,690	61,25,285	65,18,100	4,92,977	..
Police Training Schools . . .	..	..	13,000	13,950	17,100	15,400	15,400	..
Railway Police	4,64,301	4,83,550	4,88,646	4,95,787	5,35,357	5,09,125	44,824	..
Criminal Investigation Department	1,14,737	1,15,400	88,171	1,10,795	1,51,573	1,57,325	42,588	..
Cattle Pounds	3,426	2,987	2,945	3,109	2,965	3,000	..	426
Miscellaneous	1,643	1,986	1,603	9,735	1,856	5,900	4,257	..
Works	9,856	5,353	10,870	16,173	23,753	6,000	..	3,856
Deduct.—Probable Savings . .	..	..	..	..	..	—85,000	..	85,000
	68,86,010	68,24,689	67,22,724	67,33,436	71,73,925	74,67,000	6,79,991	99,001
Expenditure in England . .	1,26,546	2,22,502	1,45,495	1,65,420	1,88,746	1,92,000	65,454	..
Loss by Exchange	47,142	72,746	49,413	798	240	..	..	47,142
Total .	70,59,698	71,19,937	69,17,632	68,99,654	73,62,911	76,59,000	7,45,445	1,46,143
						Net Increase .	+5,99,302	
Revenue .	75,826	5,33,581	—2,21,013	1,93,583	5,37,453	4,37,000	3,61,174	..
Net Expenditure	69,83,872	65,86,356	71,38,645	67,06,071	68,25,458	72,22,000	2,38,128	..

It will be seen that the gross expenditure has grown by 5,99 and the *net* expenditure by 2,38 during the period. The principal variations under sub-heads are examined below.

(a) *Presidency Police* —10

The fall in expenditure is nominal only. A charge of 15, being the cost of policing departmental offices in Calcutta, has been transferred to the Posts and Telegraphs budget. On the other hand, additional charges of 9 and 7 have been incurred in Bombay in connection with the protection of pilgrims and the guarding of the Mint and Currency Offices respectively; while there have been minor decreases of 5 under passport work in Bombay and 6 under miscellaneous police work in Calcutta.

(b) *Superintendence* +80

The accounts of Rajputana show a new charge of 60 under this sub-head, the bull of which does not represent a true increase, having been transferred from the sub-head District Executive Police. The balance of the increase occurred in the North West Frontier Province, and is due in equal proportions to enhanced expenditure under Contingencies and to normal growth under Pay of Officers and Establishments.

(c) *District Executive Police* +4,93

The true increase since 1924-25 is considerably larger than the figures in the table suggest. The expenditure upon Police Training Schools, which was formerly debitable to this sub-head, is now taken to a separate sub-head; a considerable portion of the outlay under this sub-head in Rajputana has been transferred to other sub-heads; and, as shown below, the figures for the Western India States Agency were swollen in 1924-25 by incorrect debits. The true increase under this sub-head is in the neighbourhood of 6 lakhs. The principal variations in the different areas are as follows:—

+2,42 in the N. W. F. P. This is the result of expansion of establishment and of revision of the strength, pay, etc., of the force on the lines followed in the Punjab.

+1,23 in Baluchistan. Of this, 39 is non-recurring expenditure on

latter is due to the grant of compensatory allowances in the expensive sea-port towns.

(b) *Port Establishments: Direction* +56

The increase is due to the establishment of a Nautical Adviser and a Chief Surveyor in pursuance of the policy of centralisation.

(c) *Port Officers and Establishments* +1,81

This also is a result of centralisation. Four new offices were established, and the lion's share of the cost of a fifth, at Rangoon, was taken over from the local Government. The expansion under this sub-head was not completed when the budget for 1929-30 was prepared. The provision for 1930-31 is 3,69, involving a further increase of 64.

(d) *Shipping Offices* +50

The growth of expenditure is mainly due to the appointment of a new Shipping Master and two Assistant Shipping Masters, together with a payment of 13 as the rent of an office hired in Bombay.

(e) *Ship Survey Department* +1,04

Of the increase, 51 is the cost of new Ship Surveyors, appointed in connection with the policy of centralisation, and about 20 is due to the grant of compensatory allowances to officers of the Royal Indian Marine stationed in Bombay and Calcutta.

(f) *Training Ship "Dufferin"* +2,40

The bulk of the non-recurring initial outlay on the training ship has now been completed, and the expenditure may be expected to stabilise in the neighbourhood of the provision for 1929-30; though there will be some expansion on account of normal increments of pay to the establishment.

(g) *English Charges* +72

The growth of expenditure is largely due to the grant of Sterling Overseas Pay to members of the Bengal Pilot Service, which was sanctioned with retrospective effect in 1928-29.

(h) *Probable Savings* —57

This provision must be distributed over the various sub-heads discussed above. The revised estimates of 1929-30 anticipated that the savings would be more than realised, owing principally to under-spending in Bombay and Rangoon on Port Officers and their establishments.

3. *Lighthouses and Lightships.*—The increase of expenditure on Lighthouses and Lightships is 6,13. This also is mainly due to the inception of a policy of centralisation, though the nominal expenditure is to some extent inflated as a result of the commercialisation of the accounts. It should be stated, however, that the entire expenditure, a considerable portion of which is not final outlay, is covered by the fees which are now recovered from shipping and credited as revenue. The principal increases are explained below:—

(a) *Direction* +1,09

This expenditure is entirely new, and is due to the centralisation of the administration of major Lights.

(b) *Contribution to Depreciation and Reserve Funds* +3,63

Of these new debits, 1,24 and 1,13 respectively represent payments into Reserve Funds for Depreciation and for Additions and Replacements, and are held in deposit until they are required to finance renewals, etc., of the future. The balance of 1,27, which is shown as credited to a General Reserve Fund, represents the anticipated excess of the revenue over the expenditure of the year; and does not amount to expenditure in the true sense of the word. The revised estimates of 1929-30 provided as much as 4,01 under this head, suggesting excess revenue of this amount.

(c) *Accounts and Audit* +14

(d) *Pensionary charges and Provident Funds* +27

(e) *Overhead charges* +38

The increase under these sub-heads is mainly the result of the commercialisation of the accounts. If the latter had been prepared on the ordinary "cash" basis, a great part of the expenditure would have been debited to other heads of account. The bulk of the outlay is, however, new and due to the expansion of staff and the elaboration of administration.

(f) *Lighthouses and Lightships* +61

This also is the result of centralisation. A reduction of 1,07 in Burma is more than set off by new expenditure in Madras, Bombay and Karachi, where the service had previously been financed from Light Funds and Port Funds.

4. It is the policy of Government to incur no expenditure upon Lighthouses and Lightships which is not completely covered by the fees collected from shipping. This ideal is fully attained at present. Leaving out of account the money deposited in the Depreciation and Renewal and Replacement Funds, and the expenditure transferred, as a result of "commercialisation," to this from other heads, the revised estimates anticipate a *net* revenue of 4,01, which is to to be placed in the General Reserve Fund. In 1924-25, when many of the lights were maintained at the expense of local funds, the revenue received by Government was 7,43 and its expenditure on this object was 4,78, leaving a surplus revenue of 2,65. The true increase of the six years under review may therefore be reduced by 1,36 and put, in the light of the revised estimates, at 4,77; while there is an accumulation of 2,37 in the Depreciation and Renewals and Replacement Funds which will be available to reduce revenue expenditure of the future.

Account No. 39.—Ecclesiastical.

The following table sets forth the expenditure under this head in each of the six years under review.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
CHARGES IN INDIA.								
Church of England.								
Stipends of Bishops	1,00,501	96,642	1,03,184	76,843	96,722	1,16,880	16,379	..
Pay of Chaplains, etc.	16,25,540	12,54,138	10,37,906	10,77,182	10,29,238	9,96,731	..	..
Pay of Establishment	85,970	83,947	86,427	87,257	87,974	89,181	3,211	6,28,809
Allowances, Honoraria, etc	2,40,068	3,43,240	3,34,697	2,75,768	2,70,150	2,82,088	42,020	..
Supplies and Services and Contingencies	1,36,578	95,420	96,617	1,03,915	1,01,222	1,01,801	..	34,777
Grants-in-Aid	..	..	3,15,270	3,34.376	3,51,665	3,61800	3,61,800	..
Church of Scotland.								
Pay of Chaplains and Establishment	1,08,163	1,05,719	92,593	1,03,605	1,02,334	1,04,359	..	3,804
Allowances, Honoraria, etc.	23,375	34,094	46,800	35,509	42,746	47,419	24,044	..
Supplies and Services and Contingencies	9,882	12,915	10,626	13,201	13,614	14,055	4,173	..
Church of Rome.								
Allowances of Bishops, Priests, etc.	35,490	35,807	34,715	35,416	36,222	39,175	3,685	..
Cemetery Establishment	1,18,950	1,23,250	1,20,151	1,24,518	1,32,083	1,27,443	8,493	..
Miscellaneous	28,460	32,049	29,316	30,038	33,882	26,800	..	1,660
Works	..	23,375	32,352	39,645	90,778	72,860	72,860	..
Charges in England.								
Leave Salaries and Deputation Pay	2,79,622	3,28,871	3,20,276	4,06,092	3,84,977	4,00,000	1,20,378	..
Sterling Overseas Pay	1,65,922	3,70,140	3,52,086	4,77,519	4,49,791	4,73,000	3,00,128	..
Other Items	7,050	5,630	5,930	4,600	7,107			
Loss by Exchange	1,64,059	2,30,612	2,30,740	3,976	1,411	..	..	1,64,059
Total	31,29,530	31,75,849	32,49,736	32,29,460	32,31,916	32,53,592	9,57,171	8,33,109
						Net Increase	1,24,062	

2. The more important variations under individual sub-heads are discussed below:—

(a) *Church of England; Stipends of Bishops* +16

The increase is nominal only. The Bishop of Madras was on leave out of India in 1924-25, and a saving necessarily accrued.

(b) *Church of England; Pay of Chaplains, etc.* —6,29

The four principal factors in this decrease were:—

(1) A reduction by 33 of the number of Government Chaplains.

(2) Replacement, under the Lee Concessions, of a certain portion of rupee pay by sterling overseas pay.

(3) Transfer from this sub-head to the sub-head Grants-in-Aid of allowances granted (elsewhere than in the Bombay Presidency) to Clergymen of the Additional Clergy Society and other Societies. The total provision on this account was 2,00 in the budget of 1929-30. In Bombay, such allowances were formerly debited to the sub-head Allowances, etc.

(4) Transfer from this sub-head to the sub-head Allowances, etc., of provision for the cost of passages, which amounted to 74 in 1929-30.

All these reductions are set off by increases under other sub-heads. Item (1) resulted in additional Grants-in-Aid to the Metropolitan in lieu of Chaplains reduced. Item (2) is more than counterbalanced by greater expenditure on Sterling Overseas Pay. Items (3) and (4) are little more than transfers to the sub-heads Grants-in-Aid and Allowances. The decrease may, therefore, be said to be nominal.

(c) *Church of England; Allowances, Honoraria, etc.* +42

A nominal increase of 74 is due to the transfer described under (*b*) (4) above; and a true growth of 36 to the grant of compensatory allowances to Chaplains posted in certain expensive cities. On the other hand, there is a nominal decrease of about 50 owing to a transfer of charges from this sub-head to the sub-head Grants-in-Aid.

(d) *Church of England; Supplies and Services and Contingencies* —35

The decrease is nominal only.

There was a transfer to the sub-head Grants-in-Aid, etc., of a sum of 32 representing grants on account of Chaplains reduced; and a transfer to the sub-head Works of expenditure of 9 on petty construction and repairs in the United Provinces. There has, therefore, been a slight growth of real expenditure under this sub-head.

(e) *Church of England; Grants-in-Aid* +3,62

There are two principal classes of Grant-in-Aid, the majority of which were, in 1924-25, debited to the sub-head Pay of Chaplains, etc. The first of these comprises the grants made to the Metropolitan on account of Chaplains reduced. Excluding a transfer of 32 from the sub-head Contingencies, the actual expenditure on this account has risen by 88 during the period under review, and is more than counterbalanced by a fall in the pay actually disbursed to clergymen. The second class of grant covers the allowances formerly given to clergymen of the Additional Clergy Society and other recognised Societies appointed to perform the duties of Chaplains. In lieu of these payments, a composition grant of 2 lakhs is now given to the Metropolitan, and this is approximately equal to the allowances previously paid direct. As explained under (*b*) (3) above, the debit has been transferred to this sub-head from Pay of Chaplains, etc. On the whole, it may be said that the growth of expenditure under this sub-head is fully covered by reductions elsewhere.

(f) *Church of Scotland; Allowances, Honoraria, etc.* +24

The increase is mainly due to the grant of Presidency and other compensatory allowances to Chaplains posted in expensive cities.

(g) *Works* +73

This increase is nominal only. It is the result of the transfer to this head of the cost of all except petty construction and repairs of ecclesiastical buildings, etc., in the United Provinces and the Punjab. Such expenditure was, in 1924-25, debited to the head Civil Works; the actuals of that year being 12 in the United Provinces and 38 in the Punjab. The change of classification was made, in respect of the United Provinces from the 1st April 1925 and, in the case of the Punjab, from the 1st April 1928.

(h) *Expenditure in England and Loss by Exchange.* +2,56

The following table shows, in pounds sterling, the home expenditure of each of the six years under review:—

	Leave Salaries and Deputation Pay.	Sterling Overseas Pay.	Other Charges.	Total.
	£	£	£	£
Actuals, 1924-25	27,962	16,582	705	45,249
„ 1925-26	32,887	37,014	563	70,464
„ 1926-27	32,028	35,209	598	67,835
„ 1927-28	30,457	35,814	345	66,616
„ 1928-29	28,873	33,734	533	63,140
Budget, 1929-30	30,000	35,475		65,475
Increase	2,038	18,188		20,226

It will be seen that the cost of leave salaries and deputation pay, and the other charges which consist mainly of recruitment expenses, have continued approximately unchanged. The bulk of the increase is under the sub-head Sterling Overseas Pay, and is due to the Lee concession which substituted such pay for a portion of the rupee pay of Chaplains. Some part, but not the whole, of the increase is counterbalanced by a fall in rupee expenditure under the Indian sub-head Pay of Chaplains.

3. In summarising the growth of expenditure under this head, it may be said that, of the total increase of 1,24, 16 under Stipends of Bishops and 50 under Works are purely nominal. The balance of 58 is almost entirely due to the grant of compensatory allowances to Chaplains posted in expensive cities.

Account No. 40.—Political and Frontier Watch and Ward (Excluding Works).

The head Frontier Watch and Ward was opened in the year 1927-28 in order to accommodate all expenditure connected with the defence of the frontiers of India. The expenditure in question was transferred mainly from the heads Political, Police and Civil Works, but there were minor transfers from the heads Medical and General Administration also.

2. In order to present a true picture of the growth of expenditure of this nature, a combined table has been prepared, exhibiting the complete expenditure upon Political and Frontier Watch and Ward (excluding Works) for each of the six years under review. The statement includes, in the first three years of the series, the equivalent of the expenditure recorded under the heads Police, Medical and General Administration which was subsequently transferred to Watch and Ward. The expenditure on the frontiers in connection with Buildings and Communications is not incorporated in the table, but is treated in the separate memorandum dealing with the outlay upon Civil Works: the reason being that it is not easily separable from that incurred upon other Civil Works. The table reads as follows:—

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget 1929-30.	Increase.	Decrease.
EXPENDITURE IN INDIA.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Present Head 'Political'.								
Political Agents	70,45,328	68,72,695	72,00,175	82,51,410	82,27,845	81,53,330	7,38,909	..
Charges on Tibet Frontier	3,69,093	3,81,400	3,43,546					
Allowances to Tribes	8,44,863	8,15,131	8,03,179	8,47,347	8,24,843	8,35,000	..	9,863
Diplomatic and Consular Services in Persia.	14,48,071	16,60,742	9,23,315	9,22,797	10,32,207	8,20,800	..	6,27,071
Political Subsidies	4,17,550	4,16,924	4,17,580	4,21,523	4,50,100	4,49,600	32,050	..
Entertainment charges	4,87,831	6,17,630	5,29,213	5,67,798	5,38,424	4,68,505	..	19,326
Refugees and State Prisoners.	4,15,615	4,36,695	3,74,654	3,70,011	3,59,774	3,29,506	..	86,109
Special Political Expenditure	10,00,329	10,16,643	10,03,879	10,63,617	10,00,000	10,00,000	..	329
Indian State Forces	4,61,233	5,09,967	5,70,758	5,75,613	5,97,239	6,47,300	1,86,067	..
Lighting and Buoying of the Persian Gulf	3,13,121	45,907	—15,451	89	..	..	..	3,13,121
South Persia Military Police	5,366	23,804	—1,648	1,150	..	..	..	5,366
Miscellaneous	15,37,965	16,02,892	12,64,619	15,38,900	11,39,022	12,03,159	..	3,34,806
Works	50,442	38,372	2,55,648	1,33,125	2,42,713	4,29,900	3,79,458	..
Deduct—Probable Savings	..	..	..	..	..	—80,000	..	80,000
Present Head "Watch and Ward".								
Frontier Constabulary and Militia	1,83,26,586	1,90,11,822	1,89,97,938	1,91,11,220	1,87,38,981	1,93,93,200	10,66,614	..
Other Charges, excluding Works	7,04,300	8,93,980	12,09,462	9,64,914	7,51,675	8,02,700	98,400	..
EXPENDITURE IN ENGLAND, INCLUDING LOSS BY EXCHANGE.								
Political	11,14,976	14,36,985	14,42,231	10,81,099	14,15,836	13,19,000	3,18,024	..
Frontier Watch and Ward				98,023	1,17,189	1,14,000		
Deduct—Recoveries from Foreign Office	—9,21,882	..	—4,72,362	..	..	..	9,21,882	..
Total	3,36,20,787	3,57,80,589	3,48,46,736	3,59,48,636	3,54,35,848	3,58,86,000	37,41,404	14,76,191
						Net Increase	22,65,213	

3. It will be seen that the total expenditure has grown, during the six years' period, by 22,65. The principal variations under individual sub-heads are examined in detail in the following paragraphs.

4. *Political Agents and Charges on the Tibet Frontier.*—The table shows an increase of 7,39 under this sub-head, but certain additions and subtractions must be made to and from this figure in order to arrive at the true growth of expenditure. In the first place, owing to the fact that the method of adjusting Aden charges in future was under discussion with the Home Government, the budget of 1929-30 made no provision for the cost of administering Aden, which may be put at 4,62. On the other side of the account, a reclassification of certain recoveries as revenue caused an apparent addition to expenditure of 1,71

which would, under the system previously in force, have been brought to account by deduction from expenditure; recoveries amounting to 30 under Western India States were accidentally omitted from the budget for 1929-30; and transfers from other heads of account brought about an addition of 2,22 under this sub-head. These transfers were:—

Cost of Nepal Resident's escort, transferred from military budget	+43
Cost of stores for Scouts in Gilgit, transferred from military budget	+10
Cost of telephone lines in the North-West Frontier Province, transferred from the military budget	+32
Certain charges in Central India, transferred from the head Miscellaneous	+31
Certain charges in Assam, transferred from Frontier Watch and Ward	+1,06
	2,22

5. The true growth of expenditure under this sub-head is therefore 7,39+4,62—1,71—30—2,22, or 7,78. The following were the principal factors in this increase:—

+34	Increased expenditure connected with the Kabul Legation.
+4,38	Additional liabilities taken over on the assumption by the central Government of direct relations with certain States in Western India. These are mainly police charges and contributions towards the cost of district establishments employed upon Agency work.
—36	Reduction in the cost of the administration of Aden. This reduction was nominal only, as there were, in 1924-25, heavy non-recurring charges.
—31	The abolition of the Malwa Political Agency in Central India.
+50	Non-recurring compensation paid to Wazirs in the North-West Frontier Province.
+45	Increased cost of training Probationers
+24	In the Punjab States
+24	In Kashgar
+45	In Burma
+90	In the North-West Frontier Province
+68	In Baluchistan
+64	In the Western India States

} Representing expenditure upon increase of staff and revision of pay.

6. *Diplomatic and Consular Services in Persia.*—The decrease of 6,27 is not a true decrease. Against it must be taken a portion of the reduction by 9,23 of recoveries made from the Foreign Office. The figure of 9,23 in 1924-25 included £16,000, or approximately 2,19, on account of arrears of War charges; while the receipt side of the budget of 1929-30 makes provision of 1,73 for similar recoveries which are now, owing to a change of classification, credited as revenue. The true *net* decrease of Persian expenditure is therefore 6,27+2,19 +1,73—9,23, or 96. The complications are due to a change in procedure. It is the ordinary rule that expenditure on these services is divided in moieties between the Government of India and the Home Government. In 1924-25, practically the whole of the establishments were paid, in the first instance, by the Government of India, which recovered its share from His Majesty's Government towards the close of each year. In recent years, the latter Government has assumed the initial responsibility for paying the staff of several consular offices; and the *net* balance due to the Government of India, after taking into account the shares due by and to each of the parties, is now credited as revenue, instead of being brought to account by deduction from expenditure. Of the decrease of 96 in true *net* expenditure, a reduction of 70 is due to a decrease in the amount paid for consular escorts; military escorts having been replaced by pensioners employed on contract.

7. *Political Subsidies.*—The increase is mainly due to a provision of 30, in the budget of 1929-30, to be paid as a subsidy to His Highness the Mehtar of Chitral.

8. *Refugees and State Prisoners.*—The decrease of 86 is the result of the following changes, partially set off by increased outlay in Burma:—

—45	In Bengal; due to the release of Regulation III prisoners.

—45 In the United Provinces; due to the death of the ex-Amir of Afghanistan and certain transfers of internees to Burma.

—23 In the Punjab; due to transfers

9. *Indian State Forces.*—The chief causes of the increase of 1,86 were the following:—

+1,52 Increase in officers and staff and revision of pay.

+15 Provision for the cost of priced publications, which is counterbalanced by corresponding revenue under the head Stationery and Printing.

+15 Cost of Lee concession passages to officers.

10. *Lighting and Buoying of the Persian Gulf.*—The decrease of 3.13 under this sub-head represents a true saving. The expenditure on this object, which was previously borne by the central Government, is now met from a fund fed by fees paid by shipping interests.

11. *Miscellaneous:*—The accounts of 1924-25 included unusual non-recurring charges of 5,40 in the North-West Frontier Province and 54 in Baluchistan. Taking these into account, there is a true increase of 2,59 under this sub-head. Of this, 1,20 is the cost of the hire of a despatch vessel for the Political Agent in the Persian Gulf; 20 represents non-recurring expenditure on a Commission appointed in the North-West Frontier Province; 24 and 29 cover increased outlay on the Mewar Bhil Corps and the Mina Corps respectively; 14 is an increase in the grant at the disposal of H. E. the Viceroy for secret service; and the balance is the cumulative result of minor increases elsewhere.

12. *Works.*—Of the increase of 3,79, a sum of 2,00 is the provision made for buildings of the Punjab States Agency, which would, in 1924-25, have been debited to the head Civil Works. The balance is due to a change of classification; provision for petty construction and repairs being now made under this sub-head, instead of being scattered over the various sub-heads of the grants concerned.

13. *Frontier Constabulary and Militia.*—Of the gross increase of 10,67, as much as 6,35 is non-recurrent expenditure on the expeditions from Burma to the Triangle. In the same province, there has been a permanent saving of 1,20 through the abolition of the Putao District. The *net* increase of 5,52 is due mainly to the expansion of the constabulary in Baluchistan, and to grain compensation allowance, bonus and revision of pay of officers in the North-West Frontier Province. An outlay of 78 on grain compensation allowance in the latter province and of 91 on a temporary increase to the Chagai Levy Corps in Baluchistan may be classed as non-recurrent.

14. *Other Charges.*—The chief causes of the decrease are a transfer in the Assam budget of 1,06 to the head Political and of 51 to the head Medical; partially set off by a transfer of medical expenditure in the North-West Frontier Province from the sub-head Frontier Constabulary and Militia to this sub-head.

15. *Expenditure in England.*—The actual increase in sterling expenditure has been £26,277, which, at 1*s.* 6*d.* to the rupee, represents 3,50. The difference between this figure and the figure 3,18 appearing in the table is due to the fact that, in the year 1924-25, rupees were remitted to England at the average exchange rate of 1*s.* 5½*d.*, and the sterling expenditure of that year is accordingly converted at that rate. The entire growth under this sub-head represents increased expenditure on Leave Salaries and Deputation Pay and upon Sterling Overseas Pay. The latter item, in particular, has grown by £19,369 or, expressed in thousands of rupees, by 2,58.

16. *Deduct.—Recoveries from the Foreign Office.*—The reason for the cessation of these recoveries has been explained in paragraph 6 above.

17. *Summary.*—The growth of expenditure under these two heads may now be summarised as follows. To the increase of 22,65 shown in the table, the following sums must be added in deducing the true gross increase:—

Cost of administering Aden .	4,62
Unusual items of 1924-25 in Kermanshah . .	39
Cost in 1924-25 of lighting and buoying the Persian Gulf	3,13
Unusual miscellaneous items of 1924-25 in the North-West Frontier Province and Baluchistan	5,94
Total ..	14,08

On the other hand, certain legitimate deductions may be made from the budgeted expenditure of 1929-30, as follows :—

Recoveries now credited as revenue	3,59
Recoveries accidentally omitted from the budget of 1929-30	30
Transfer from Military budget	85
Expeditions to the Triangle	6,35
Non-recurring expenditure on Compensations	50
Works, transferred from head Civil Works	2,00
Total	13,59

18. The true increase of expenditure is thus approximately 23,14, and is principally due to the following items :—

New responsibilities in connection with the assumption of direct relations with the States of Western India	+4,38
General expansion of Political Agencies (about).	+4,00
Increased outlay on Indian State Forces	+1,71
Net increase of expenditure on Frontier Watch and Ward (about)	+6,00
Non-recurring Increase on minor Works.	+1,79
Miscellaneous expenditure	+2,60
Increase in sterling outlay on Leave Salaries, Sterling Overseas Pay, etc.	+3,50
Decreased expenditure on Refugees and State Prisoners	—86

Account No. 41.—Survey of India.

The following table exhibits the expenditure incurred in India under this head in each of the six years under review. It is not possible to deduce the exact amount of the charges incurred in England, as these are not brought to account separately for the various scientific departments. The sterling outlay of those departments as a whole is therefore discussed in a separate memorandum. For convenience of reference, the revenue of the department is shown at the foot of the table and the *net* expenditure deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Direction and Control	1,57,380	1,57,756	1,60,036	1,63,956	1,65,832	1,61,800	4,420	..
Headquarter Offices	10,78,787	10,77,558	10,68,999	10,85,509	11,25,529	12,13,600	1,34,813	..
Mathematical Instrument Office	2,89,007	3,15,817	3,45,889	3,83,480	4,00,617	4,29,500	1,40,493	..
Survey Parties	38,37,608	38,34,576	40,79,282	38,26,090	41,77,655	41,13,100	2,75,492	..
Works	47,175	25,800	7,384	17,495	27,391	18,600	..	28,575
Deduct—Recoveries from other Governments, Departments, etc.	—22,27,101	—21,60,924	—23,28,180	—23,24,736	—25,34,105	—22,21,600	5,501	..
Deduct—Probable Savings	..	..	..	..	..	—3,72,000	..	3,72,000
Total	31,82,856	32,50,583	33,33,410	31,51,794	33,62,919	33,43,000	5,60,719	4,00,575
						Net Increase	1,60,144	
Revenue	1,56,928	2,24,827	3,26,619	2,99,199	3,09,452	3,09,000	1,52,072	..
Net Expenditure	30,25,928	30,25,756	30,06,791	28,52,595	30,53,467	30,34,000	8,072	..

2. It will be seen that the table shows an increase of 1,60 in gross and of 8 in *net* expenditure. Even this is not a true increase, since, as will be shown later, some portion of the growth is covered by increased revenue under other heads of account. On the other hand, the sterling outlay of the scientific departments has grown by 5,14 during the period; and the bulk of this expenditure must be laid to the charge of the Survey of India.

3. The more important variations under individual sub-heads of the account are discussed below :—

Headquarter Offices +1,35

The offices included under this heading are the Correspondence and Drawing Branch, the Lithographic, Photographic and Engraving establishments, the Trigonometrical Office and various Drawing Offices. The true growth of expenditure is 2,19, since a drawing office costing 84 was transferred to the sub-head Survey Parties on the formation of the Frontier Survey Circle in 1926. The principal factors in this increase were the following:—

+22 Grant of compensatory and house allowances in Calcutta.

+15 Provision of map racks in the Map Record and Issue Office.

+1,66 Increase of permanent and temporary staff (about 53); increased travelling and other allowances (29); increased contingencies (17) and normal increments (about 70).

During the period, the total receipts from sale of maps, whether credited as revenue or taken in reduction of expenditure, rose from 3,48 to 4,19, an increase of 71.

Mathematical Instrument Office +1,40

In order to deduce the true growth of expenditure, it is necessary to deduct a sum of 20, which represents a charge for office rent covered by revenue of another Government department, and a charge of 45 for Customs duty which is similarly covered. The true increase is therefore 75, which is mainly due to the expansion of workshop staff and increased expenditure under Supplies and Services; both being due to the increased demand for instruments. The total recoveries from the sale of instruments rose by 1,17 during the period. On the other hand, a considerable portion of the increased sterling expenditure on stores must be put down to the requirements of this office.

Survey Parties +2,75

In order to appreciate the true growth of expenditure under this sub-head, it is necessary to deduct the following items:—

+84 the cost of the Drawing Office transferred from the sub-head Headquarter Offices on the creation of the Frontier Circle;

+35 the cost of escort arrangements, which is covered by specific recoveries from the Army Department; and

+42 half the cost of warm clothing; the corresponding recovery, which was previously brought to account by deduction from expenditure, being now credited as revenue.

These items total 1,61, leaving a *net* increase of 1,14; to which must be added 47, being the saving accruing to the Indian portion of the budget from the substitution of sterling overseas pay for a portion of the rupee pay of officers. About 20 of this increase may be ascribed to the extra cost occasioned by the creation of the Frontier Circle, which is recovered from the Army Department. Nearly a lakh of the balance is due to increased expenditure on travelling and other allowances owing to the difficult nature of the country in which certain of the parties are operating; and most of the rest to accrual of increments.

Works —29

The decrease is due to the fact that extensive repairs to the Castle Hill Estate in Mussoorie were being carried out in 1924-25, which have since been completed.

Recoveries +6

The principal feature under this sub-head is a decrease of 2,10 in the recoveries from local Governments and private bodies for miscellaneous work; counterbalanced by an increase of fixed contributions from the Army Department, for the Frontier Circle and Cantonment work, from Indian States and from local Governments, which totalled 1,03, and by a growth of 1,02 in recoveries of the price of maps and instruments sold to Government departments.

Probable Savings. —3,72

This estimated saving must be distributed over the various sub-heads, including the provision for English expenditure on Stores which was included in the demand for the departmental grant. According to the revised estimates of 1929-30, the expectation was not realised; the total anticipated saving being 1,45, of which as much as 1,02 occurred under the sterling sub-head.

Account No. 42.—Zoological Survey.

The following table shows the expenditure under this head in each of the six years under review:—

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers . .	43,380	54,775	54,253	64,214	68,099	71,900	28,520	..
Pay of Establishment .	38,603	38,932	49,105	50,516	52,418	61,400	22,797	..
Allowances, Honoraria, etc.	8,698	10,056	22,840	23,728	26,336	24,500	15,802	..
Supplies and Services .	41,880	37,851	25,071	27,961	42,348	38,200	..	3,680
Contingencies . .	13,572	13,647	18,892	16,226	16,501	15,000	1,428	..
Total .	1,46,133	1,55,261	1,70,161	1,82,645	2,05,702	2,11,000	68,547	3,680
					Net Increase . .		64,867	

As in the case of the other Scientific Departments, the table is not quite complete, since it omits a small amount of charges in England.

2. The table shows an increase of 65 in the six years' period. Taking into account the facts that the year 1924-25 saw special expenditure of 16 under Supplies and Services which had no counterpart in 1929-30, and that the provision for the latter year included 10 as the cost of priced publications which is set off by corresponding revenue under the head Stationery and Printing, the true increase amounts to 71.

3. The increase is the result of the resumption of the expansion of the Department which was interrupted on the recommendation of the Inchcape Committee. Two sanctioned posts of officers have been filled (12); the staff has been considerably increased (18); and greater provision has been made for travelling allowances. Additional expenditure of 10 is due to the admission of the officers of the Department to the benefits of the Calcutta compensatory allowance scheme. Most of the balance represents the accrual of ordinary increments of officers and establishment.

Account No. 43.—Botanical Survey.

The following table exhibits the expenditure in India under this head in each of the six years under review. It is impossible to separate the expenditure in England from that of the other Scientific Departments, and the entire English charges are therefore handled in a separate memorandum. For convenience, the receipts from the sale of quinine, which constitute the revenue of the Department, are exhibited at the foot of the table and the *net* expenditure deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Botanical Survey—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay, etc., of officers and establishment	46,724	49,175	52,250	52,742	56,917	61,400	14,676	..
Cinchona Plantations—								
Pay, etc., of Officers and Establishment . . .	32,543	31,782	34,386	28,262	27,766	35,600	3,057	..
Purchase of Bark . . .	1,42,190	3,04,056	1,20,914	1,90,175	1,24,141	..	..	1,42,190
Plantation Charges . . .	86,266	1,16,325	1,13,398	1,17,458	1,25,152	1,21,002	34,934	..
Contingencies . . .	3,870	4,008	3,858	3,007	3,284	4,500	630	..
Amounts paid to Local Governments for extraction of quinine	73,350	36,274	63,798	52,896	67,191	87,300	13,950	..
Works	..	..	..	4,000	3,000	..	..	..
Total, Cinchona Plantations . .	3,38,219	4,92,445	3,36,334	3,95,798	3,50,534	2,48,600	52,571	1,42,190
Total Expenditure	3,84,943	5,41,620	3,88,584	4,48,540	4,07,451	3,10,000	67,247	1,42,190
						Net Decrease .		74,943
Revenue from sale of Quinine .	2,09,402	3,51,270	2,89,048	3,49,608	3,81,543	3,20,000	1,10,598	..
Net Expenditure . .	1,75,541	1,90,350	99,536	98,932	25,908	—10,000	..	1,85,541

2. It will be seen that the gross expenditure has fallen by Rs. 74,943 and the *net* expenditure by Rs. 1,85,541. The decrease occurs under the sub-head Cinchona Plantations, and is due to the termination of a contract under which Java bark was purchased from Messrs. Howard of London, to be subsequently converted into quinine by the Governments of Bengal and Madras. With the expiry of the contract, the expenditure on purchase of bark has entirely vanished; while the payments to local Governments for extracting quinine will cease on the exhaustion of the accumulated stock of foreign bark. The latter payments are *net* payments, the value of sales of quinine made by the local Governments being deducted from the amount payable to the Department; and low sales were partly responsible for the increase in *net* payments in the later years of the series. The growth of outlay under Plantation Charges is the result of the steady development of Government's cinchona plantations

3. The comparatively small increase under Botanical Survey proper is mainly due to the filling up of a post which happened to be vacant in 1924-25.

Account No. 44.—Geological Survey.

The following table sets forth the expenditure incurred in India under this head in each of the six years under review. The sterling charges, being inseparable from those of other Scientific Departments, are discussed, for those departments as a whole, in a separate memorandum.

	Accounts, 1924-25.	Accounts, 1925-26.	Accounts, 1926-27.	Accounts, 1927-28.	Accounts, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers	3,08,213	3,07,724	3,13,032	3,10,486	3,48,988	3,60,800	52,587	..
Pay of Establishments . .	53,480	57,469	59,412	61,586	60,017	65,900	12,420	..
Allowances, Honoraria, etc. . .	53,917	68,605	1,32,089	1,00,181	1,13,515	1,16,800	62,883	..
Supplies and Services and Contingencies	42,329	36,326	46,508	40,958	61,043	85,000	42,671	..
Grants-in-Aid, etc. . . .	500	500	500	500	..	500	..	..
Burma Office	35,400	28,750	32,057	39,083	43,128	55,000	19,600	..
Deduct—Recoveries from the Government of Burma . . .	—35,400	—28,750	—32,057	—39,083	—43,128	—55,000	..	19,600
Total . .	4,58,439	4,70,624	5,51,541	5,13,711	5,83,563	6,29,000	1,90,161	19,600
						Net Increase	1,70,561	

2. The total expenditure of the department has increased by 1,71 during the six years' period. The more important variations under individual subheads are discussed below.

(*a*) *Pay of Officers.*—The principal cause of the increase of 53 was the filling up of four sanctioned posts of Assistant Superintendent and one of Sub-Assistant, which were vacant in 1924-25. Minor revisions of pay and accrual of increments were responsible for the balance of the increase.

(*b*) *Pay of Establishment.*—The growth of 12 was the result of the creation of a few minor posts and the accrual of increments.

(*c*) *Allowances, Honoraria, etc.*—The big increase of 63 under this sub-head was mainly due to the grant to the superior staff and the Sub-Assistants of compensatory allowances on the scales introduced for Calcutta in 1924. These scales were extended to this department in 1926 and 1928.

A minor increase of 20 represents the cost of passages granted under the Lee concessions.

(*d*) *Supplies and Services and Contingencies.*—Of the growth of 43 under this sub-head, 32 is purely nominal, being the provision in the budget of 1929-30 for the cost of priced publications, which is set off by corresponding revenue under the head Stationery and Printing. The printing of certain special maps in 1929-30 was expected to cause the balance of the increase. The revised estimates anticipated, however, a saving of 20 under Supplies and Services.

(*e*) *Burma Office.*

Deduct—Recoveries from the Government of Burma.

These two entries counterbalance each other. The current arrangement is

that the pay, allowances, leave-salary, etc., of the Superintendents and Assistant Superintendents attached to the Burma Geological Survey Party are a charge on the Central Government and are debited to the sub-heads Pay of Officers and Pay of Establishment; while the rest of the cost of the party is recovered from the local Government.

3. In summarising the progress of expenditure under this head, it may be said that, of the true increase of 1,39, over a lakh is due to the filling of vacancies in the staff of officers and the grant to the higher ranks of the department of compensatory allowances on the Calcutta scale and of Lee Concessions. The balance represents mainly minor expansions of staff and accrual of increments.

Account No. 45.—Archæology.

The following table shows the expenditure in India under this head in each of the six years under review. As in the case of the other Scientific Departments, the sterling expenditure is inseparable from that of others.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers	2,23,257	2,12,216	1,77,851	2,09,316	2,06,547	2,22,100	..	1,157
Pay of Establishment	1,64,805	1,67,304	1,84,876	1,86,960	2,02,867	2,21,600	56,795	..
Allowances, Honoraria, etc.	79,609	1,07,492	93,710	91,234	81,752	97,400	17,791	..
Conservation of Ancient Monuments	6,79,206	7,02,491	7,10,564	6,88,546	7,16,113	7,13,000	33,794	..
Library and Publications	42,241	24,354	22,391	28,328	19,647	59,600	17,359	..
Archæological Explorations	47,736	99,923	2,39,968	2,37,344	2,36,675	2,54,600	2,06,864	..
Museums at Lahore, Taxila, Nalanda and in the United Provinces	8,114	62,139	56,593	22,335	14,618	9,000	886	..
Other Supplies and Services	23,604	49,652	45,596	40,650	29,583	27,400	3,796	..
Contingencies	65,897	72,636	81,030	66,964	70,950	75,200	9,303	..
Collection and arrangement of Central Asian Antiquities Museum	38,570	27,073	37,811	33,266	15,040	..	..	38,570
Publication of Archæological Materials	..	..	..	..	20,813	42,100	42,100	..
Total	13,73,039	15,25,280	16,50,390	16,04,943	16,14,605	17,22,000	3,88,688	39,727
					Net Increase		3,48,961	

2. The table shows an increase of 3,49; from which must be deducted 40, the provision made in 1929-30 for the cost of priced publications, which is offset by corresponding revenue under the head Stationery and Printing. The principal factors which led up to the true increase of 3,09 are discussed below.

Direction, etc. ... +76

The increase is mainly due to increase of establishment, which has taken over part of the expense previously borne by the sub-heads Conservation of Ancient Monuments and Central Asian Antiquities Museum. The Department now performs its own Conservation work in the United Provinces and the Punjab, through establishments which cost, at the time of introduction, about 40. This work was previously done by the local Governments, to which a payment of 19 was made in 1924-25 and charged to Conservation.

Conservation of Ancient Monuments ... +34

The actual increase would have been greater, had the cost of the establishments employed in the United Provinces and the Punjab not been transferred to other sub-heads.

Of the total budget provision of 7,13 for 1929-30 under this sub-head, 3,77 was designed to meet ordinary maintenance and upkeep and 3,24 for the execution of special repairs.

Archæological Explorations ... +2,07

An annual grant of 2½ lakhs of rupees is now voted by the Legislative Assembly for this purpose. In 1924-25, the outlay was less than half a lakh.

Publication of Archæological Materials ... +42

This is due to the deputation of Sir John Marshall on special duty to write up and publish the results of his 26 years of service as Director General. The deputation is expected to last for eight years in all, and it is hoped that its cost will be largely counterbalanced by the receipts accruing from the books which Sir John will publish.

Collection and Arrangement of Central Asian Antiquities Museum —39

The decrease is nominal only. The cost of this work has been distributed over other sub-heads shown in the table.

3. This is another case in which a restriction of activities on the recommendation of the Inchcape Committee has been removed on the recurrence of more favourable financial conditions. Even now, however, if the increased grant for Excavation is omitted from consideration, the departmental budget is smaller than it was when the Inchcape Committee found it in 1922-23.

Account No. 46.—Meteorology.

The following table gives the expenditure in India under this head in each of the six years under review. The receipts from Meteorology, if any, are insignificant, and separate figures of them are not available. The same is true of the sterling expenditure, which is discussed, for the Scientific Departments as a whole, in a separate memorandum.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs
Pay of Officers	1,02,633	1,11,231	1,23,552	1,63,620	1,86,860	2,07,200	1,04,567	..
Pay of Establishment	2,41,597	2,46,258	2,51,757	2,86,125	3,32,524	3,55,300	1,13,703	..
Allowances, Honoraria, etc.	31,776	34,493	40,346	55,484	76,877	77,800	46,024	..
Supplies and Services and Contingencies	1,04,172	96,977	1,04,449	1,54,193	2,31,107	2,30,900	1,26,728	..
Minor Observatories Allowances and Petty Construction and Repairs.	49,497	46,708	46,287	52,658	51,024	56,800	7,303	..
Weather and other Telegram Charges	1,37,850	1,37,853	1,43,349	1,81,737	1,74,848	2,16,500	78,650	..
Subsidy paid to the Government of Burma	..	3,000	1,500	1,500	1,500	1,500	1,500	..
Works	..	..	1,34,378	5,85,647	3,10,960	43,000	43,000	..
Deduct— Recoveries	..	..	..	..	—1,500	—3,000	..	3,000
Probable Savings	..	..	..	..	..	—50,000	..	50,000
Total	6,67,525	6,76,520	8,45,618	14,80,964	13,64,200	11,36,000	5,21,475	53,000
						Net Increase	4,68,475	

2. It will be seen that the expenditure under this head has grown by 4,68 during the period. This increase is the direct result of the development of Aviation in India, which has necessitated the institution of adequate arrangements for the systematic investigation of weather and upper air conditions. The resultant expansion of expenditure was by no means complete at the end of 1929-30. The budget of 1930-31 shows a further growth of estimated expenditure by 6,27; and the Standing Finance Committee has been warned that, with the extension of Aviation, further heavy outlay, both recurring and non-recurring, will be necessary in future years. It should also be noted that even the existing establishment will be a steady cause of increase for some years to come. The numerous clerks recently added to the establishment are all remunerated by time-scales of pay which rise to their maximum rates after a very considerable period; and it will be some time before the cost of the staff is stabilised at an average figure

3. Brief comments are offered below upon the growth of expenditure under the various sub-heads in the table.

Pay of Officers ... +1,05

The causes of the increase may be summarised by stating that approximately 85 is due to the creation of additional posts, and the balance to the

accrual of increments. Sixteen new posts, permanent and temporary, have been created; the justification being the need for adequate supervision of the extended activities of the department.

Pay of Establishments ... +1,14

It is explained that approximately 67 of this increase is due to the expansion of staff, and the balance of 47 to the accrual of increments. The latter figure is intelligible when it is stated that, in the case of many lower division clerks, service of five years means an increase of pay by as much as 50 *per cent.* A minor point calling for notice is the fact that all clerks serving in the station at Delhi are given pay at the rates allowed to the attached offices of the Government of India; with the result that they are far better paid than the second division clerks serving in such expensive cities as Calcutta and Rangoon. They receive an initial pay of Rs. 75, as against Rs. 40, and can rise to Rs. 175, instead of Rs. 120. It would appear more proper to assimilate the pay of lower division clerks in Delhi with that of the establishments under the control of the Chief Commissioner. The actual increase of numbers during the period has been one of 93 in the clerical grades and of 30 servants.

Allowances, Honoraria, etc. ... +46

Of the increase of 46, a sum of 5 is due to Lee concessions, and 8 to the grant of compensatory and house allowances to gazetted officers posted in expensive cities. The bulk of the balance is due to increased travelling allowances owing to increased activity and to larger personnel; partially set off by a saving of 9 in Simla allowances through the transfer of the headquarters of the department to Poona.

Supplies, Services and Contingencies ... +1,27

The three most important factors in the increase are:—

+30, the provision for the cost of priced publications, which is covered by corresponding revenue under Stationery and Printing;

+32 on account of the extension of upper air works, being largely the cost of keeping balloons in commission; and

+13, being the cost of supervising and maintaining the new headquarters building.

A further item of 3 is a new charge for Customs duty. The balance is made up of a number of minor items arising out of the growth of activities generally.

Minor Observatories ... +7

This increase is the result of employment of additional observers in connection with the multiplication of observing stations.

Weather and other Telegram charges ... +79

The expansion under this sub-head is at present in its infancy, and further heavy outlay is recognised as inevitable if Aviation is to be made reasonably safe. The expenditure, which will shortly be increased by the withdrawal of certain concessions hitherto granted by the Posts and Telegraphs Department, is, of course, largely counterbalanced by the additional revenue credited to that Department. The budget of 1930-31 provides 4,42 under this head, being a further increase of 2,26.

Works ... +43

The provision for 1929-30 was for the final stages of the new offices at Poona. With the growth of the Department, expenditure at other places may be expected to continue for some years.

4. It will be seen that, of the total increase of 4,68, 1,12 is not a true increase; being covered by more or less specific increases of revenue. Expansion, however, still continues. The total provision for Meteorology in the budget of 1930-31 is 18,43, being an increase of 11,75 over the actual figures of 1924-25. It is difficult to foresee the full demands of the future; but it seems improbable that the ultimate recurring expenditure will be eventually stabilised at a figure much below 25 lakhs. A considerable portion of this will, however, return in the shape of increased revenue from Posts and Telegraphs.

Account No. 47.—Mines.

The following table shows the expenditure in India under this head in each of the six years under review. The comparatively small sterling expenditure, being inseparable from that of other Scientific Departments, is included in the combined sterling expenditure of all such departments, which is discussed in a separate memorandum.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers	1,22,119	1,14,192	1,26,713	1,19,707	1,27,356	1,33,400	11,281	..
Pay of Establishments	45,966	47,431	49,209	51,113	52,856	55,100	9,134	..
Travelling Allowance	30,328	32,323	44,031	38,469	34,626	26,400	..	3,928
Other Allowances, Honoraria, etc	336	1,570	10,563	7,337	3,387	5,700	5,364	..
Allowances and other charges in connection with Examinations	5,347	9,888	10,415	9,520	6,159	7,800	2,453	..
Supplies and Services and Contingencies	12,882	13,235	13,646	13,146	16,079	14,600	1,717	..
Total	2,16,978	2,18,639	2,54,577	2,39,292	2,40,463	2,43,000	29,949	3,928
						Net Increase	26,021	

2. The table shows an increase of 26. This is mainly due to expansion of staff to meet the elaboration of the law relating to Mines, but there are also minor increases on the following accounts:—

Lee Concessions	+2
Provision for cost of priced publications	+1
Increased cost of conducting examinations	+2

The second and third of these are covered by increased receipts on the revenue side of the Budget, thus leaving the true increase under this head at a figure of 23.

Account No. 48.—Expenditure in India on Other Scientific Departments.

The following table exhibits the expenditure on this head incurred in India in each of the six years under review. The sterling charges of the Scientific Departments as a whole are discussed in a separate memorandum.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Museums	55,481	61,399	68,016	67,740	66,945	58,600	3,119	..
Exploration of Petroleum, etc.	2,568	3,000	3,102	5,098	3,986	4,400	1,832	..
Donations to Scientific Societies	3,12,500	2,69,733	2,68,000	2,78,267	2,78,000	4,73,000	1,60,500	..
Hydro-Electric Survey	607	..	..	..	..	..	..	607
Works	..	..	..	..	3,41,352	..	..	..
Total	3,71,156	3,34,132	3,39,118	3,51,105	6,90,283	5,36,000	1,65,451	607
						Net Increase	1,64,844	

2. It will be seen that the increase of expenditure during the period is shown as 1,65. The increase of real expenditure is greater than this figure would suggest. The expenditure of 1924-25 under Donations to Scientific Societies included arrears of 62 paid to the Indian Institute of Science in Bangalore on account of the previous year. The true growth under that sub-head is therefore 2,23. It is due to a recurring grant of 3 and a non-recurring grant of 2,00 to the Bose Research Institute in Calcutta, and an annual grant of 20 made, for five years from 1927-28 in the first instance, to the Indian Association for the Cultivation of Science in the same city.

3. The minor increases under other sub-heads do not call for special comment.

Account No. 49.—Expenditure in England of the Scientific Departments.

The following table shows the sterling expenditure of the Scientific Departments as a whole in each of the six years under review. It is not practicable to separate the English charges appertaining to individual departments included in the group.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	£	£	£	£	£	£	£	£
Stores for India	17,591	18,589	24,279	30,887	38,744	47,400	29,809	..
Leave Salaries and Deputation Pay .	28,814	25,350	28,616	31,930	23,478	30,975	2,161	..
Sterling Overseas Pay . . .	8,304	15,117	14,892	15,013	17,571	16,050	7,746	..
Other Items	4,834	4,758	4,443	5,705	7,611	4,800	..	34
Total .	59,543	63,814	72,230	83,535	87,404	99,225	38,716	34
The same, converted into rupees at official rate of exchange . .	5,95,432	6,38,145	7,22,295	11,13,799	11,65,388	13,23,000	7,27,568	..
Loss by Exchange . . .	2,13,177	2,08,331	2,45,554	4,315	1,009	..	..	2,13,177
Total in Rupees .	8,08,609	8,46,476	9,67,849	11,18,114	11,66,397	13,23,000	7,27,568	2,13,177
						Net Increase	5,14,391	

2. The principal variations under individual sub-heads of account are discussed below:—

(*a*) *Stores for India* ... +£29,809

The provision for Stores included in the budget for 1929-30 was as follows:—

	£
Survey of India . .	41,325
Meteorology . . .	5,250
Geological Survey . .	750
Botanical Survey . .	75

It will be seen that over 85 *per cent.* of the expenditure was incurred for the Survey of India Department; the Meteorological Department being the only other important contributor. These proportions have been generally maintained throughout the period under review. There has obviously been a considerable increase in the purchase of stores for the Survey of India; the figure for 1925-26, the first year for which separate statistics are available, being £15,612. A great part of the growth is due to the increased demands of the Mathematical Instrument Office, which are set off by increased revenue from the sale of instruments. The purchases for the Meteorological Department have grown from £2,400 in 1925-26 to £5,250 in the budget of 1929-30. This is largely due to the requirements of Civil Aviation.

(*b*) *Leave Salaries and Deputation Pay* +2,161

These charges inevitably fluctuate from year to year, and there are no indications of a permanent increase.

(*c*) *Sterling Overseas Pay* +7,746

The growth is apparently due to delay in making payments to certain officers for whom sterling overseas pay was sanctioned with effect from 1924-25. There were no appreciable new admissions to the concession after that year.

3. In summarising the reasons for the growth of expenditure, it may be said that over three-fourths of it is due to the expansion of expenditure upon Stores; some part of which is offset by an increase in the revenue derived from the sale of mathematical instruments in India

Account No. 50.—Education.

The following table sets forth the expenditure under this head in each of the six years under review. The comparatively small revenue accruing to the minor administrations under Education is shown at the foot of the table, and the *net* expenditure deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Charges in India—								
Direction and General Charges .	2,92,481	3,07,785	3,27,653	3,68,921	4,12,036	4,16,188	1,23,707	..
University Education . .	7,75,970	7,09,564	11,80,456	14,40,689	9,69 964	14,83,000	7,07,030	..
Secondary Education . .	10,49,634	11,31,648	11,17,605	14,67,406	14,03,582	15,26,848	4,77,214	..
Primary Education . . .	8,50,319	8,75,090	9,91,241	13,92,247	14,95,348	16,25,752	7,75,433	..
Special Education	88,678	61,789	72,005	1,00,928	1,27,737	1,68,812	80,134	..
Chiefs' Colleges	31,746	35,676	19,194	28,308	40,533	25,000	..	6,746
Works	..	..	..	..	..	8,400	8,400	..
Deduct—Probable Savings . .	..	..	..	..	..	—40,000	..	40,000
Charges in England . . .	58,563	59,349	66,014	66,593	87,624	80,000	21,437	..
Loss by Exchange . . .	22,155	19,389	22,485	414	116	..	..	22,155
Total .	31,69,546	32,00,290	37,96,653	48,65,506	45,36,940	52,94,000	21,93,355	68,901
						Net Increase	21,24,454	
Receipts	1,60,826	1,34,660	1,73,703	2,13,769	2,12,010	1,84,000	23,174	..
Net Expenditure .	30,08,720	30,65,630	36,22,950	46,51,737	43,24,930	51,10,000	21,01,280	..

2. It will be seen that the table shows an increase of 21,24 in gross and of 21,01 in *net* expenditure. The principal variations under individual sub-heads of account are examined below.

Direction and General Charges.—This sub-head, which includes expenditure upon scholarships, shows a total growth of 1,24; the principal factor being an increase of 57 in the North-West Frontier Province, which was mainly due to the expansion of directing and inspecting staff and the raising of status of inspecting officers, as part of the five-year programme of educational development. There were minor increases of 21,30 and 21 in Baluchistan, Delhi and Ajmer-Merwara respectively. A nominal decrease of 15 in the central budget is due to the payment to local Governments, in 1924-25, of arrears of leave-salary.

University Education.—Of a total growth of 7,07, a sum of 4,25 appeared in the central budget; 1,78 in that of the North-West Frontier Province; 93 in Delhi and 34 in Ajmer-Merwara. The real increase in the central budget was 5,25, as the outlay of 1924-25 included arrear payments of 1,00 to the Benares University. The grants of 1929-30 to that University included an additional recurring grant of 1,75, in addition to 3 lakhs as the first instalment of a special non-recurring grant of 15 lakhs to be spread over three years. The additional recurring grant was increased to 2,00 in 1930-31, and from that year precisely similar grants were sanctioned for the Aligarh University. As the latter University received an additional recurring grant of 25 in 1929-30, the true recurring increase up to the end of that year is one of 2 lakhs.

The increase in the North-West Frontier Province is due mainly to enhanced grants of 1,22 to the Islamia College, of which 72 will not recur, and to a growth of 36 under grants to other colleges, of which 9 only represents recurring expenditure.

The increase in Delhi includes a grant of 35 to the Delhi University, of which 25 is non-recurring, and grants of 20 non-recurring and 11 recurring connected with the five-year programme.

Of the enhanced expenditure in Ajmer-Merwara, 21 is due to expenditure, under the five-year programme, on the improvement of the Government College.

Secondary Education.—The principal factors in the growth of 4,77 were increases of 1,01 in the North-West Frontier Province, 71 in Baluchistan, 1,84 in Delhi and 94 in Ajmer-Merwara. Of the total increase, 2,34 recurring and 55 non-recurring may be put down to the five-year programme.

Primary Education.—To the total increase of 7,75, the North-West Frontier Province contributed 4,82, Baluchistan 34, Delhi 1,10, Ajmer-Merwara 71, Central India 16 and Bangalore 62. The great majority of the growth is due to the five-year programme, which provided for 2,76 of non-recurring and 4,06 of recurring expenditure.

Special Education.—The increase under this sub-head, which deals mainly with training schools, may be ascribed almost entirely to the five-year programme. The principal contributors were the North-West Frontier Province with 27, Baluchistan with 15 and Delhi with 33.

Chiefs' Colleges.—The decrease under this head is nominal only, being due to the payment of arrears in 1924-25.

3. It will be evident from the detailed notes recorded above that a considerable portion of the increase of expenditure under this head is due to the operation of the five-year programme. The total increase on that account may be taken as approximately 4,59 non-recurring and 8,50 recurring, or 13,09 in all. Of the balance of 8,15, or, taking into account unusual items of 1924-25, of 9,30, as much as 5,29 is due to subsidies to University education unconnected with the programme. The balance represents increased outlay on primary and secondary education, the latter predominating.

4. When the Indian Retrenchment Committee examined the expenditure of the Central Government in 1922-23, it commented unfavourably on the fact that the outlay on primary education represented no more than 35·7 *per cent.* of the total expenditure on the subject. In the budget estimates of 1929-30, even after denying primary education any share in the probable savings of 40, its share of expenditure in India amounted to 31·2 *per cent.* The percentage would be even lower if both the non-recurring grants to the Benares University and the non-recurring portion of the five-year programme were left out of account. It is, of course, a relevant comment that the primary education with which the Government of India is concerned is that of the minor administrations only, whereas that Government retains responsibility for two large Universities serving the populations of Governors' Provinces; but the fact remains that the outlay on secondary education alone falls short by less than a lakh of that on primary education.

Account No. 51.—Medical Services.

The following table exhibits the expenditure under this head in each of the six years under review, after deducting from the outlay of 1924-25 the charges which have since been transferred to the head "Frontier Watch and Ward". For convenience of reference, the revenue from Medical Services is shown at the foot of the table, and the *net* expenditure deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Charges in India—								
Medical Establishments	7,71,710	7,50,939	7,08,890	7,48,684	7,48,069	8,23,500	51,790	..
Hospitals and Dispensaries	8,11,849	9,63,609	10,40,051	9,96,064	9,81,659	9,91,200	1,79,351	..
Grants-in Aid	6,13,120	7,84,345	7,78,379	7,30,665	7,63,620	7,51,800	1,38,680	..
Medical Colleges and Schools	90,154	52,383	65,748	67,647	79,745	86,200	..	3,954
Mental Hospitals	17,370	14,670	13,453	20,327	17,264	21,100	3,730	..
X-Ray Institute	1,19,992	1,19,265	1,27,582	1,24,265	1,25,542	1,45,900	25,908	..
Chemical Examiner	..	3,406	3,600	3,600	28,240	26,000	26,000	..
Works	15,535	6,553	28,052	50,670	96,647	72,300	56,765	..
Total	24,39,730	26,95,170	27,65,755	27,41,922	28,40,786	29,18,000	4,82,224	3,954
English Charges —								
Stores	53,510	75,500	61,480	72,960	44,240	59,000	5,490	..
Other Expenditure	52,189	97,735	1,21,563	1,80,297	1,89,023	1,67,000	1,14,811	..
Loss by Exchange	41,842	56,351	62,270	1,342	418	..	..	41,842
Total	25,87,271	29,25,256	30,11,068	29,96,521	30,74,467	31,44,000	6,02,525	45,796
							Net Increase 5,56,729	
Revenue under Medical	2,11,351	3,53,810	3,83,973	4,95,794	3,15,138	3,79,000	1,67,649	.
Net Expenditure	23,75,920	25,71,446	26,27,095	25,00,727	27,59,329	27,65,000	3,89,080	.
							Net Increase 3,89,080	

2. It will be seen that the gross expenditure has risen during the period by 5,57, and the *net* expenditure by 3,89. The principal variations are examined below.

Medical Establishments +52

The expenditure of 1924-25 was swollen by 39 on account of arrear payments to local Governments in respect of leave-salary. The true increase is thus one of 91, of which the principal factors are the following:—

+11 to provide for a meeting of the Indian Medical Service Selection Board,

+12 in respect of the office of the Imperial Serologist, of which 5 is non-recurring. This office is practically self-supporting.

+11 in the North-West Frontier Province; due to the fact that certain posts remained unfilled in 1924-25,

+23 in Delhi. This is due partly to general expansion, and partly to the provision made for the medical needs of New Delhi,

+17 in Ajmer-Merwara; of which 9 is due to the appointment of an additional Civil Surgeon,

+5 in Rajputana; due to unnecessarily liberal provision for leave-salary in 1929-30.

Hospitals and Dispensaries +1,79

The principal items are the following:—

+47 in the central budget. Of this, 24 is a nominal increase, due to the transfer from the Political budget of the Assam charges on the North-East Frontier; and 19 represents increased grants to hospitals in Simla,

+37 in the North-West Frontier Province is a purely nominal increase. Recoveries from local bodies, amounting in 1929-30 to 48, which were previously deducted from expenditure, are now brought to account as revenue,

+33 in the Delhi budget is largely due to provision for the medical needs of New Delhi,

+36 in Bangalore. Of this, 12 is a nominal increase, being due to the transfer of charges from the head Public Health, and the balance is the result of the appointment of new officers and establishment for various hospitals.

Grants-in-Aid +1,39

The principal factors in the increase are a grant of 5 made to the Portmore Nursing Home in Simla, and a growth of 1,35 in the grants made to the Lady Hardinge Medical College in Delhi. Of the latter, 21 is non-recurring.

Medical Schools and Colleges —4

The expenditure of 1924-25 included arrear payments of about 18 on account of leave-salary due to local Governments. There was thus a true increase of 14. The principal factors in this were a growth of 22 in the fees paid by the Delhi administration for students studying at Lahore, partially set off by a reduction of similar payments made by the North-West Frontier Province.

Mental Hospitals +4

The increase is the result of payments made by the Ajmer-Merwara administration for patients under treatment at Lahore.

X-Ray Institute +26

The growth is entirely under non-recurring Supplies and Services. Provision of 70 on this account in the budget of 1929-30 was reduced to 10 in that of the following year.

Chemical Examiner +26

This represents a new payment to the Government of Bombay for services rendered to the Customs Department by the local Chemical Examiner. The charge vanished in 1930-31, when the Customs Department set up its own establishment for the purpose.

Works +57

The increase is the result of the provision for non-recurring works in Bangalore.

English Charges—Other Expenditure +1,15

Taking Exchange into account, the increase is in the neighbourhood of 90: It is due to the growth of deputation charges and of sterling overseas pay.

3. It is now possible to summarise the results. Taking into account the arrear charges paid in 1924-25, the gross increase in expenditure is 6,14. Of this, 36, representing transfers from other grants, and 48, which is covered by a specific increase in revenue, may be left out of account: leaving the true increase at 5,30. Out of this figure again, 57 under Works, 26 under Chemical Examiner and at least the same amount under X-Ray Institute and 21 under Grants-in-Aid are essentially non-recurring. The permanent increase of expenditure under this head is probably in the neighbourhood of 3,70; against which there has been a general increase in revenue of 1,28.

Account No. 52.—Public Health.

The following table shows the expenditure under this head in each of the six years under review. As usual, the figures of revenue are shown at the foot of the table and the *net* expenditure deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Charges in India—								
Public Health Establishment .	1,68,713	1,56,697	1,98,120	1,92,940	2,67,094	2,81,100	1,12,387	..
Grants-in-Aid	10,29,334	6,02,197	9,97,016	9,82,193	9,32,604	11,83,200	1,53,866	..
Expenses in connection with Epidemic Diseases . . .	2,18,011	2,66,868	2,29,325	1,90,355	3,12,775	3,26,000	1,07,989	..
Bacteriological Laboratories .	2,25,454	2,09,703	2,01,448	2,10,183	2,25,205	2,43,800	18,346	..
Works	23,009	..	..	156	9,379	14,900	..	8,109
Expenditure in England . .	51,811	53,908	93,783	93,586	1,53,269	1,13,000	61,189	..
Loss by Exchange	17,953	17,554	31,962	449	192	..	..	17,953
TOTAL .	17,34,285	13,06,927	17,51,654	16,69,862	19,00,518	21,62,000	5,00,741	73,026
					Net Increase		4,27,715	
Revenue under Public Health .	1,52,936	1,86,039	1,97,103	4,79,200	3,56,785	4,69,000	3,16,064	..
Net Expenditure	15,81,349	11,20,888	15,54,551	11,90,662	15,43,733	16,93,000	1,11,651	

2. It will be seen that the gross expenditure has risen by 4,48 and the *net* expenditure by 1,12 during the period. The more important variations under sub-heads are examined below.

Public Health Establishments +1,12

The principal factors in this increase are a growth of 90 under Delhi, of 8 in the North-West Frontier Province and of 7 in the Western India States. The new charges in Delhi are due to provision for the sanitation of the New Capital, and largely replace expenditure previously met out of capital. The increase in the North-West Frontier Province represents the cost of medical inspection of school children, and that in the Western India States certain charges taken over from the Government of Bombay.

Grants-in-Aid +1,54

The following are the principal factors:—

+1,74 is a grant to the Pasteur Institute, of which 10 only is recurring,

+7,50 represents a grant to the Indian Research Fund which is likely to recur in future years,

—5,00 is due to the absence of any grant for the Guma Water Works, such as was made in 1924-25,

—74 is the decrease in the North-West Frontier Province due to the absence of provision for the Kalapani Water Supply Scheme,

+70 is the increase in the grants made to local bodies in Delhi,

–2,67 is the *net* decrease of grants in Bangalore. The figures of 1924-25 included large outlay on the housing of the poorer classes.

It may be said that there has been an increase of 8,30 in recurring expenditure under this sub-head, set off by a reduction of 6,77 in non-recurring outlay.

Expenses in connection with Epidemic Diseases +1,08

The accounts of 1924-25 included arrear payments of 99 to the Bombay Government for Port Health charges at Bombay, Karachi and Aden; while, on the other hand, recoveries of 82 in Bombay, which would previously have been deducted from expenditure, are now credited as revenue. The true increase is therefore 1,25, and is composed mainly of the following items:—

+93 Due to new distribution of Port Health charges in Bengal ports.

+19 Non-recurring charges in Madras.

+15 Charges connected with pilgrims in Bombay.

–14 The result of the transfer to the local Municipality of plague work in Bangalore.

+5 Additional temporary establishment in Delhi.

Bacteriological Laboratories +18

There has been an increase of 10 in Delhi, of which 7 is due to the classification of recoveries as revenue, and of 8 in the cost of the Imperial Research Institute at Kasauli.

3. Of the complete true increase of 5,27 under this head, about 92 is covered by specific increases of revenue and 2,24 is set off by other receipts. On the other hand, it may be said that, if the grant to the Indian Research Fund is to recur indefinitely, the recurring expenditure of the Department has risen by as much as 10,59 during the period under review.

Account No. 53.—Agriculture and Co-operative Credit.

The following table sets forth the expenditure under this head in each of the six years under review. For convenience of reference, the revenue of the department has been shown at the foot of the table and the *net* expenditure deduced. The statement is not entirely accurate, since the figures of Expenditure in England include the charges under the head Civil Veterinary Department, which cannot be separated.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-22.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Expenditure in India—								
Superintendence	2,40,883	2,48,176	2,72,147	1,99,465	2,11,911	2,94,300	53,417	..
Expert Staff	5,00,066	,83,835	5,57,292	5,29,229	5,69,091	6,05,000	1,04,934	..
Imperial Cattle Breeding Farm, Karnal	3,33,769	1,17,812	1,14,864	1,24,414	1,28,966	1,59,100	..	1,74,669
Imperial Institute of Animal Husbandry and Dairying, Bangalore	4,53,173	1,73,370	1,34,047	1,56,305	1,53,208	1,50,200	..	3,02,973
perial Institute of Animal Husbandry and Dairying, Wellington	2,26,442	1,06,410	9[illegible]497	1,00,234	1,08,310	91,400	..	1,35,042
Anand Creamery	..	55,296	1,25,892	1,74,939	1,29,075	1,90,500	1,90,500	..
Other Experimental Farms	74,091	98,141	1,15,352	1,08,931	84,645	93,696	19,605	..
Agricultural Experiments	8,885	..	..	..	297	..	..	8,885
Sugarcane Breeding Station, Coimbatore	45,603	1,29,259	75,822	1,41,923	79,768	92,500	46,897	..
Indian Central Cotton Committee	735	2,590	4,433	3,343	2,212	1,200	465	..

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Sugar Bureau	36,942	34,945	22,114	29,348	30,807	32,100	..	4,842
Sugar Cable Service	..	28,448	27,926	25,315	20,325	24,700	24,700	..
Cotton Cess Staff	..	..	..	1,129	1,200	3,400	3,400	..
Public Exhibition and Fairs	6,491	4,720	5,451	5,220	8,856	9,300	2,809	..
Fumigation of American Cotton	..	..	..	81,238	1,45,240	2,56,700	2,56,700	..
Botanical and other Gardens	8,879	35,812	46,996	32,679	29,862	33,800	24,921	..
Miscellaneous	64,454	59,868	60,065	1,13,636	60,344	62,900	..	1,554
Co-operative Credit	30,854	36,886	40,222	61,829	71,384	1,09,704	78,850	..
Works	..	..	..	336	1,26,665	800	800	..
Central Council of Agricultural Research	..	..	..	..	..	16,40,000	16,40,000	..
Deduct—Probable Savings	..	..	..	..	..	—80,000	..	80,000
	20,31,267	16,15,568	16,93,120	18,89,513	19,62,166	37,71,300	24,47,996	7,07,965
Expenditure in England	1,20,386	1,06,547	1,19,166	1,50,669	1,16,138	1,64,000	43,614	..
Loss by Exchange	44,713	35,054	40,528	670	195	..	..	44,713
Total	21,96,366	17,57,169	18,52,814	20,30,772	20,78,499	39,35,300	24,91,612	7,52,678
							Net Increase 17,38,934	..
Revenue from Agriculture	4,28,357	4,95,854	7,26,413	6,09,827	6,37,792	11,00,000	6,71,643	..
Net Expenditure	17,68,009	12,61,315	11,26,401	14,20,945	14,40,707	28,35,300	10,67,291	..

2. The table shows an increase of 17,39 in gross and of 10,67 in *net* expenditure. In order to form a correct idea of the true increase of expenditure, it is, however, necessary to deduct from the figures of 1924-25 a sum of 6,46, being the cost price of three dairy farms purchased from the Military Department in that year. The true gross increase then becomes 23.85.

3. Detailed comments upon the more important variations under sub-heads are made below:—

Superintendence +53

The principal factors in this increase are a growth of 15 under Pay and Allowances, due mainly to the institution of the Cattle Bureau and to some expansion of the staff of the Agricultural Adviser, and a *net* increase of 37 in non-recurring expenditure of a capital nature.

Expert Staff +1,05

This increase is due to a general expansion of activities. The principal factors are the appointment of three new officers, the creation of 29 new subordinate posts and the ordinary operation of increments.

Imperial Cattle Breeding Farm, Karnal —1,75

The accounts of 1924-25 included a sum of 2,40 as the purchase price of the farm. The budget for 1929-30 provided 34 for the non-recurring cost of certain items of agricultural machinery. Omitting these two factors, there is a net increase of 31. Of this, about 15 is due to expansion of establishment, and the rest to minor increases in the incidental costs of running the farm. The farm produced a revenue of 72 in 1924-25 and of 97 (estimated) in 1929-30; so that its *net* cost is approximately stationary.

Imperial Institute of Animal Husbandry and Dairying, Bangalore. —3,03

The accounts of 1924-25 included 2,68 as the cost of purchasing the dairy farm, as well as greater outlay of 23 and 21 respectively on the purchase of machinery and of dairy produce. The Institute produced a revenue of 1,76 in 1924-25 and of 1,63 (estimated) in 1929-30. It therefore yields a *net* profit.

Imperial Institute of Animal Husbandry and Dairying, Wellington. —1,35

The decrease is almost entirely due to the inclusion in the accounts of 1924-25 of a sum of 1,38, being the purchase price of the dairy farm. The farm yielded a revenue of 86 in 1924-25 and of 92 (estimated) in 1929-30. It is therefore practically self-supporting.

Anand Creamery +1,90

This institution was taken over from the military authorities in the course of 1925-26, and the whole of the outlay upon it is therefore new expenditure. Its receipts, as anticipated in the budget of 1929-30, were as much as 3,00, which is considerably in excess of the revenue of previous years; but the revised estimates expected receipts of no more than 1,70.

Sugarcane Breeding Station, Coimbatore. +47

This station, which had previously been run for the central Government by the Government of Madras, was taken under direct central control in 1925-26, when its establishment was made permanent. Simultaneously, there was a considerable expansion in its activities. This expansion is responsible for the increase. It included a considerable programme of capital expenditure, which is not yet completed, 18 being provided for Works in the budget of 1929-30.

Sugar Cable Service +25

This increase is nominal only. The expenditure is actually financed from funds provided by firms interested in sugar and is covered by corresponding revenue. Prior to 1925-26, neither receipts nor expenditure passed through the Government accounts.

Fumigation of American Cotton +2,57

This increase also is nominal, the cost of fumigation being met from fees paid by importers, which are credited as revenue. The budget for 1929-30 provided revenue of 3,13 on this account. owing, however, to the limited number of bales imported during the year, the revised estimates reduced both expenditure and revenue to the neighbourhood of 50.

Botanical and Other Gardens +25

The chief factor in this increase was an increase by 20 of grants in aid of arboriculture given to local bodies in Delhi.

Co-operative Credit. +79

55 of this increase occurred in the North-West Frontier Province, where a Co-operative Staff was employed for the first time during the period under review. There was also a growth of 18 in Ajmer-Merwara, due to expansion of staff and of grants-in-aid.

Central Council of Agricultural Research .. +16,40

The institution of this Council in the year 1929-30 is the principal cause of the growth of expenditure upon Agriculture. Of the provision made in 1929-30, a sum of 1,40 is the recurring cost of establishment, and 15 lakhs is a non-recurring grant for research work. The permanent arrangements contemplated are annual recurring grants of 7,25, including 5 lakhs for research, and a further initial non-recurring grant of 10,00, in addition to a special grant of 10,00 provided for the encouragement of sugar cultivation in the budget of 1930-31.

4. Summing up the position, it may be stated that, out of a true gross increase of 23,85,—

- 4,97 is purely nominal, being covered by countervailing revenue;
- 16,40 is the cost of the Council of Agricultural Research and includes 7,25 as the true recurring cost after the initial grants have been made;
- 1,58 is due to the expansion of directing and expert staff, and includes some 60 of non-recurring expenditure; and
- 79 represents the growth of Co-operative work in two minor administrations.

The balance of —19 is the *net* result of several minor differences; the most important of which are an increase of about 29 in the recurring cost of the Sugarcane Breeding Station and a fall of 44 in the cost of running the Bangalore Institute.

5. The more or less permanent growth of real expenditure is therefore in the neighbourhood of 9 lakhs of rupees.

Account No. 54.—Civil Veterinary Department.

The following table shows the expenditure under this head in each of the

six years under review. For convenience of reference, the receipts of the Department are shown at the foot of the table and its *net* revenue deduced. The statement is not quite complete, since it omits the charges in England, which cannot be separated from the corresponding figures under the head Agriculture and Co-operative Credit.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bacteriological Laboratory, Muktesar.								
Pay, etc., of Officers and Establishments	2,15,695	2,02,435	2,08,971	2,12,757	2,32,262	2,68,800	53,105	..
Purchase and upkeep of animals and cultivation expenses	3,47,851	4,50,330	3,01,717	3,13,375	3,31,581	3,15,700	..	32,151
Other Supplies and Services and Contingencies	1,68,504	1,81,609	1,61,299	1,74,262	1,67,067	1,51,500	..	17,004
Other Expenditure of the Central Government.								
Grants-in-Aid	..	..	3,000	3,000	3,366	3,000	3,000	..
Veterinary Charges.								
North-West Frontier Province	50,028	35,713	40,959	52,130	65,730	76,900	26,872	..
Baluchistan	55,919	64,867	72,480	80,639	77,635	79,800	23,881	..
Delhi	..	7,530	14,050	9,074	8,877	16,400	16,400	..
Ajmer Merwara	1,139	551	453	719	708	1,100	..	39
Bangalore	4,000	4,000	4,000	7,433	12,474	17,500	13,500	..
Total	8,43,136	9,47,035	8,06,929	8,53,389	8,99,699	9,30,700	1,36,758	49,194
						Net Increase	87,564	
Revenue of the Civil Veterinary Department	6,69,764	13,02,896	10,82,551	12,49,285	14,91,004	13,95,000	7,25,236	..
Net Revenue	—1,73,372	3,55,861	2,75,622	3,95,896	5,91,305	4,65,300	6,38,762	..

2. It will be seen from the table that the gross expenditure has grown by 86, and the *net* revenue by no less than 6,39. The revenue, it may be stated, is almost entirely derived from the sale of serum by the Muktesar Institute. The principal variations are explained below.

Bacteriological Laboratory at Muktesar. ... +4

The principal factors in this increase are:—

+6 under Pay of Officers, due to the *net* addition of four new posts;

+45 under Pay of Establishments, of which 33 represents additions to strength owing to the growth of work and the balance is due to increments;

—32 under Purchase and Upkeep of Animals, which is the result of reduction in the number of animals required owing to improved methods of manufacture; and

—17 under Other Supplies and Services and Contingencies, owing mainly to decreased purchase of chemicals and apparatus.

Other Expenditure of the Central Government. ... +3

This represents an annual grant made since 1926-27 to the National Horse Breeding and Show Society.

Expenditure in the minor Administrations ... +81

This represents a general expansion of veterinary activities in the minor areas. Of the increase in the N. W. F. P., the two principal causes were the institution of a separate Superintendent and staff for the province, which had previously been served by the Punjab Superintendent, and the grant of prizes for local horse-racing. The growth in Baluchistan is due mainly to the creation of new veterinary dispensaries. In Bangalore, the administration of the veterinary hospital has been taken over from the Municipality.

Account No. 55.—Industries.

The following table exhibits the expenditure under this head in each of the six years under review. For convenience of reference the comparatively small revenue from Industries is shown at the foot of the table and the *net* expenditure deduced. The bulk of this revenue accrues in the form of fees at the School of Mines, but there has been a small addition in the shape of a contribution by the Delhi Municipality towards the cost of the Industrial School since the latter was taken over by Government in 1927-28. This contribution was credited by deduction from expenditure in that year, but has since been brought to account as revenue.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Charges in India—								
Bounties to Steel Industry	60,79,136	85,10,346	79,65,898	12,43,056	4,12,126	..	..	60,79,136
Indian School of Mines	..	30,711	1,89,216	2,16,549	2,45,214	2,17,000	2,17,000	..
Other items	12,331	10,074	11,904	13,729	33,090	32,000	19,669	..
Charges in England	27,472	22,078	27,334	34,377	22,871	45,000	17,528	..
Loss by Exchange	10,220	7,241	9,284	203	23	..	..	10,220
Total	61,29,159	85,80,450	82,03,636	15,07,914	7,13,324	2,94,000	2,54,197	60,89,356
						Net Decrease		58,35,159
Revenue from Industries	2,604	..	8,205	20,156	36,384	34,000	..	31,396
Net Expenditure	61,26,555	85,80,450	81,95,431	14,87,758	6,76,940	2,60,000	..	..
						Net Decrease		58,66,555

2. It will be seen that the *net* expenditure has decreased by 58,67 during the period. The principal factor in the decrease is the expiry of the period for which the Bounties on Steel products were sanctioned; which has led to a reduction of 60,79. Against this must be set increases of 2,17 under Indian School of Mines and of 20 under "Other Items". The School of Mines at Dhanbad was newly established in the course of 1925-26, and the estimate of 1929-30 includes 30 on account of initial non-recurring expenditure. The principal cause of increase under "Other Items" was the provincialisation of the Industrial School of the Delhi Municipality. In the earlier years of the series, Government paid a contribution of 7 to the cost of this school. It was provincialised in 1927-28, on condition that the Municipality should contribute 80, 60 40 and 20 *per cent.* of its cost respectively in the four following years. Thereafter, the municipal contribution will entirely cease, and the complete cost of the school will fall on Government. Another factor in the increase under "Other Items" was the provision, in the budget for 1929-30, of a non-recurring sum of 4 to meet the passages of State scholars to England.

Account No. 56.—Aviation.

The following table shows the expenditure under this head in each of the six years under review.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Charges in India—								
Pay of Officers	1,856	..	..	30,013	40,800	51,200	49,344	..
Pay of Establishment	3,600	3,600	5,209	21,619	33,817	46,700	43,100	..
Allowances, Honoraria, etc.	3,854	1,647	547	9,846	10,928	23,800	19,946	..
Supplies and Services and Contingencies	5,855	1,10,671	45,780	75,429	6,162	36,500	30,645	..
Grants-in Aid, etc.	..	..	3,01,500	8,34,609	2,25,376	5,08,500	5,08,500	..
Works	3,333	1,014	9,50,770	39,129	2,03,670	17,05,300	17,01,967	..
Charges in England	2,731	3,825	1,863	5,992	16,546	61,000	58,269	..
Loss by Exchange	922	1,250	630	19	16	..	..	922
Total	22,151	1,22,007	13,06,299	10,16,656	5,37,315	24,33,000	24,11,771	922
					Net Increase		24,10,849	

2. As will be obvious from the figures in the table, the service financed from this grant is a new and rapidly growing service. The development of civil aviation in India is still in comparative infancy, and is likely to involve in the near future a steady growth of recurring expenditure under both this head and the head Meteorology. Comments on the expenditure under the principal sub-heads of this account are offered below :—

(a) *Pay of Officers.*—The budget provision of 51 under this sub-head covers the pay of the following officers :—

(i) A whole-time Director of Civil Aviation, appointed in 1927.

(ii) An Aircraft and Engine Inspector.

(iii) A temporary Engineer Officer, appointed for two years and two months from the 1st January 1928.

The budget of 1930-31 contains further provision for special pay to be granted to the Chief Engineer with the Royal Air Force, under whose instructions the temporary Engineer Officer will work.

(b) *Pay of Establishment.*—The expenditure of the first two years of the series represents the payment of fees to the Consulting Aeronautical Engineers to the Government of India, which still continues. On the appointment of a full-time Director, he required a regular staff; and this was created in January 1927, absorbing, in the first instance, a senior assistant and a clerk of the office of the Industries and Labour Department of the Secretariat. Since then, the establishment has expanded with the work up to its present cost of 47.

(c) *Allowances, Honoraria, etc.*—The growth of expenditure under this sub-head is a necessary result of the expansion of staff and increase of travelling.

(d) *Supplies and Services and Contingencies.*—Of the present expenditure of 36 under this sub-head, 26 represents charges payable to the Posts and Telegraph Department for wireless facilities. It is therefore set off by revenue of Government in the Posts and Telegraphs Department.

(e) *Grants-in-Aid, etc.*—The principal factor in the anticipated expenditure of 5,08 under this sub-head was provision for a subsidy of 3,50 to the company operating the Karachi-Delhi service and of 1,39 for grants to be made to Aeroplane Clubs in India. The former item does not recur in the estimates of 1930-31.

(f) *Works.*—The principal items are works connected with the acquisition, preparation and improvement of aerodromes. With the exception of provision of 50 as standing charges for maintenance and repairs, this expenditure is non-recurring. The provision under this sub-head in the budget for 1930-31 fell from 17,51 to 11,81.

(g) *Charges in England.*—The increase of outlay under this sub-head is due to the training of Indian *personnel* in England.

3. Of the total provision of 24,33 under this head in the budget of 1929-30, approximately 6½ lakhs represents recurring expenditure. The grant for 1930-31 was increased to 26,42, and included a far larger recurring element. This was due to the decision to extend the Karachi-Delhi service to Calcutta, and thence on to Rangoon; the completed service to be operated as a Government concern. When the extended service is in full working order, its regularly recurring cost will be in the neighbourhood of 20 lakhs under this head, in addition to a considerably increased outlay under the head Meteorology. As against this, there will be some revenue in the shape of remuneration paid by the Posts and Telegraphs Department for the carriage of mails; but the principle on which this remuneration will be calculated has not yet been settled, and no estimate of its amount can at present be framed.

Account No. 57.—Indian Stores Department.

The following table exhibits the expenditure under this head in each of the six years under review. To make the picture complete, the revenue of the Department has been shown at the foot of the table and *net* figures of expenditure deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Charges in India—								
Headquarters Establishment	4,79,355	5,25,634	5,88,537	6,31,462	6,80,711	8,23,120	3,43,765	..
Purchase Circles	55,251	1,02,827	1,45,668	1,49,158	1,71,752	1,91,800	1,36,549	..
Inspection Circles	2,06,861	3,41,643	4,36,163	5,01,437	5,95,603	6,70,230	4,63,369	..
Government Test House	1,65,103	1,70,706	1,77,918	1,99,492	2,18,074	2,54,300	89,197	..
Metallurgical Inspectorate	1,32,902	3,44,891	2,29,045	1,65,435	1,71,843	1,85,650	52,748	..
Works	..	..	..	..	36,097	64,900	64,900	..
English Charges	18,036	46,494	51,560	49,248	38,645	63,000	44,964	..
Loss by Exchange	6,849	15,224	10,534	86	88	..	..	6,849
Deduct—Probable Savings	..	..	..	..	..	—95,000	..	95,000
Total	10,64,357	15,47,419	16,39,425	16,96,318	19,12,816	21,58,000	11,95,492	1,01,849
						Net Increase	10,93,643	
Deduct—Recoveries of the Department	7,63,466	10,70,605	13,58,917	14,07,285	11,81,918	17,07,000	9,43,534	..
Net Expenditure	3,00,891	4,76,814	2,80,508	2,89,033	7,30,898	4,51,000	1,50,109	..

2. The figures of English expenditure and of Loss by Exchange recorded in the table against the first year of the series are not quite accurate. The Indian Stores Department was, up to the year 1926-27, treated in the accounts, not as a separate entity, but as one of the "Miscellaneous Departments", and separate figures of its sterling expenditure were therefore not recorded. It has been possible to isolate, for the year 1924-25, that portion of the sterling outlay which represents the expenditure of the Stores Department on leave salaries, deputation pay and sterling overseas pay; but its expenditure on stores cannot be separated from that of other departments included in the group. The latter, with the attendant Loss by Exchange, has therefore been omitted from this table, and included in the separate memorandum dealing with the sterling expenditure of the other Miscellaneous Departments, with the result that the expenditure of the Stores Department has been under-stated by an indeterminate sum which cannot exceed some Rs. 10,000. From 1925-26 onwards it has been possible to deduce separate figures under stores as well as under leave-salaries, etc., and the figures recorded in the table are correct.

3. The bulk of the so-called "revenue" of the Department does not represent true revenue of Government. A certain amount of revenue proper is received from private parties, in the shape of fees for testing and analysing materials, inspection and examination of stores and advisory work. These receipts amounted to a little under 2 lakhs in 1928-29, the last year for which actuals are available. The balance of the receipts represents recoveries from other Departments for services rendered in the purchase and inspection of stores. Thus, in the case of stores purchased by the Indian Stores Department, there is a definite charge for purchase, at the rate of one *per cent.* of the value of the stores bought, and a further charge of one *per cent.* for inspection of the stores. For tests, analyses and advisory work, and for inspection of stores not purchased by the Indian Stores Department, an elaborate scale of fees has been laid down by Government. It may be mentioned that, under a recently sanctioned revision of accounting procedure, receipts from non-commercial departments of Government will not in future be credited as revenue. The Indian Stores Department will take credit for them in a *pro formâ* profit and loss account only.

4. It has been shown that a great part of the "revenue" hitherto earned by the Department consists in an addition to the cost of stores purchased on account of other departments in consideration of the advantage gained by securing expert assistance in purchase and inspection. The value of this advantage is not susceptible of exact computation, and the amount of the charges made is not fixed on any scientific basis. It is, however, claimed that

the charges are reasonable in themselves, and that the percentage fee for purchase is actually more than covered by economies definitely realised. The fees are slightly lower than those charged by the London Stores Department, which has an easier task to perform, and compare favourably with such few instances as are forthcoming of similar charges made by commercial bodies. Even though this claim be accepted, it is obvious that, with the whole basis of "revenue" resting on so indeterminate a factor, no degree of exactitude can be ascribed to the "commercial" results shown by the accounts of the Department.

5. It will be seen from the table that there has been, during the period, an increase of 10.94 in gross and of 1,50 in *net* expenditure. The Department is still far from being self-supporting on the basis of the existing scales of fees. The fall of revenue in 1927-28 reflects the results of the labour strikes of that year in Calcutta.

6. The increases of expenditure under the various sub-heads call for little detailed comment. With the exception of the increase under "Works", they represent the expansion of the Department to meet the increase of calls upon its services. They naturally include the creation of a large number of posts on time-scales of pay, which must involve steadily increasing expenditure for some years to come. The increase under Works is apparent only: as, up to the year 1927-28, such charges were not shown under a separate head but were distributed over the other sub-heads of the account.

Account No. 58.—Emigration—External.

The following table exhibits the expenditure in India under this head in each of the six years under review. Any small sterling expenditure which the department may have incurred can not be separated from that of the other miscellaneous departments.

—	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Establishment in South Africa.	..	..	..	94,953	1,09,057	1,14,000	1,14,00	..
Establishment in Ceylon	74,756	32,925	35,982	44,920	32,270	35,900	3,944	..
Establishment in Malaya		28,016	28,746	31,010	38,266	42,800		
Consul in Réunion		1,231	996	1,130	276	..		
Deputation to Mauritius		..	..	..	..	..		
Establishment in Bengal	24,687	24,534	25,018	25,206	29,994	24,300	..	387
Establishment in Madras	17,785	19,322	21,451	33,658	39,505	42,000	24,215	..
Establishment in Bombay.	543	663	883	2,539	3,141	4,000	3,457	..
Total	1,17,771	1,06,741	1,13,076	2,33,416	2,52,509	2,63,000	1,45,616	387
						Net Increase	1,45,229	

2. The table shows an increase of 1,45, but the true growth may be taken as 1,65, since the payments in 1924-25 were augmented by an expenditure of about 20 owing to the deputation of an officer to Mauritius and the transfer of the headquarters of the Malaya Agency.

3. The principal factors which have contributed to the increase have been :—

(1) The establishment of an Agent in South Africa to insure the protection of the interests of India in that country, ... 1,14

(2) Increased activity in Madras; partly in order to protect emigrants returning from South Africa, and partly to regulate emigration from Negapatam and other ports to Malaya and Ceylon ... 24

(3) Strengthening of the establishment in the Ceylon and Malaya Agencies and grant to it of certain concessions. ... 23.

4. It is interesting to note that the expenditure under this head has, for

the greater part of the period under review, been more than covered by the receipts from emigration fees. These have been as follows in thousands of rupees:—

Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Revised, 1929-30.
2,68	3,18	3,85	3,71	1,82	2,50

The decline of receipts in 1928-29 is due to a slackening in the flow of emigration to Malaya during that year. The revenue revived somewhat in 1929-30. It should be remarked that, as the bulk of the fees is levied from emigrants to Malaya and Ceylon, it still more than covers the expenditure on the relevant Agencies.

Account No. 59.—Emigration—Internal.

The following statement shows the expenditure in India under this head in each of the six years under review. Any sterling expenditure which the department may have incurred cannot be separated from that of the other miscellaneous departments.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
India	19,060	20,065	49,028	25,131	15,853	16,000	..	3,060
Madras	942	892	973	967	977	1,000	58	..
Burma	13,940	11,776	17,338	20,470	12,645	16,000	2,060	..
Assam	18,848	21,738	19,249	10,545	12,346	16,000	..	2,84
Total	52,790	54,471	86,588	57,113	41,821	49,000	2,118	5,908
						Net Decrease		3,790

2. Internal Emigration is an agency subject, and the expenditure upon it consists mainly of payments made to local Governments on account of establishment working under their control. It will be seen that the decrease of expenditure during the period under review amounted to 4, to which must be added, in order to deduce the true decrease, a further sum of 3, representing the contribution from the Tea Districts Labour Association which is now credited as revenue.

3. The figures call for no particular comments.

Account No. 60.—Joint Stock Companies.

The following table exhibits the expenditure in India under this head in each of the six years under review. Any small sterling expenditure which this Department may have incurred cannot be separated from that of other Miscellaneous Departments.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers	39,652	42,944	37,397	37,113	40,673	42,530	2,878	..
Pay of Establishment	37,605	38,579	40,421	40,648	42,132	42,424	4,819	..
Allowances, Honoraria, etc.	4,358	4,780	6,618	5,858	6,859	5,126	768	..
Contingencies	10,470	10,355	19,105	10,940	15,139	17,044	6,574	..
Establishment charges paid to Provincial Governments:—								
Madras	24,000	15,000	15,000	15,000	15,000	15,000	..	9,000
United Provinces	7,076	8,584	8,917	8,742	8,591	9,356	2,280	..
Punjab	10,324	3,731	2,538	3,166	..	..	..	10,324
Burma	..	..	11,935	16,007	4,610	4,520	4,520	..
Charges in minor Administrations	1,953	1,388	1,716	1,694	1,869	2,200	247	..
Total	1,35,338	1,25,361	1,43,647	1,39,168	1,34,873	1,38,200	22,086	19,324
						Net Increase	2,762	

2. The table shows an increase, over the period, of Rs. 2,762. The actual increase is, however, greater. In 1924-25, arrear charges of 9 and 5 respectively were paid to the Madras and the Punjab Governments. On the other hand, the provision for 1929-30 includes a sum of 7 as the cost of priced publications, which will be set off by corresponding revenue under the head Stationery and Printing. The real increase is therefore one of 10.

3. About half the increase is due to the payment of establishment charges to the Government of Burma which was not made in 1924-25 though arrears in respect of that year were actually disbursed in 1926-27. The balance of the increase is ascribed to the accrual of normal increments.

4. This is another case in which the revenue derived from a particular object exceeds the expenditure incurred upon it. The fees received on account of the registration of Joint Stock Companies in each year of the series were as follows, in thousands of rupees :—

Actuals.					Revised.
1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.
1,56	1,66	1,78	1,83	2,15	2,30

Account No. 61.—Commercial Intelligence and Statistics.

The following table shows the expenditure in India under this head in each of the six years under review. The comparatively small expenditure in England is not separable from that of the other Miscellaneous Departments.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Pay of Officers	56,407	62,359	61,214	59,179	45,477	68,500	12,093	..
Pay of Establishment	1,17,298	1,24,324	1,34,218	1,42,112	1,52,074	1,64,300	47,002	..
Allowances, Honoraria, etc.	4,637	12,269	12,100	12,502	10,177	13,400	8,763	..
Contingencies	19,488	22,145	22,393	17,346	57,008	72,900	53,412	..
Payments to Railways and Provincial Governments	99,149	18,563	8,753	19,497	14,736	15,000	..	84,149
Cotton Industry Statistics	..	..	..	6,608	7,247	8,000	8,000	..
Payments to Railways and Steamship Companies in connection with the compilation and publication of Rail and River-borne Statistics relating to raw Cotton.	..	..	1,868	8,991	8,065	24,800	24,800	..
Grants-in-Aid, Contributions, etc.	..	..	..	7	25	100	100	..
Provincial Statistics—								
North-West Frontier Province	5,697	1,283	986	833	833	1,000	..	4,697
Baluchistan	1,376	5,750	1,379	39	..	..	..	1,376
Total	3,04,052	2,46,693	2,42,911	2,67,114	2,95,642	3,68,000	1,54,170	90,222
						Net Increase	63,948	

2. It will be seen that there has been an increase of 64 in the period under review. The principal variations under sub-heads are discussed below.

Pay of Officers. ... +12

The increase is due to the enhancement of the pay of the Director General.

Pay of Establishments ... +47

There has been an increase of 18 in the number of ministerial posts and of 3 in the number of inferior servants, and the pay of both has been revised. These measures, together with normal increments, account for the growth of expenditure.

Allowances, etc. ... +9

The increase is due to the grant of Lee Concessions and of compensatory and house rent allowances.

Contingencies ... +5

This increase is nominal only, being due to provision for the cost of priced publications, which is covered by corresponding revenue under the head Stationery and Printing.

Payments to Railways and Provincial Governments for Frontier Trade Registration ... —84

outlay incurred by the Indian Stores Department on the purchase of stores, which cannot be separated from the figures of other departments, but not its expenditure on leave salaries, deputation pay and sterling overseas pay. In later years, the table gives the figures of all departments now classed as Miscellaneous Departments. The primary figures are in pounds sterling and are converted into rupees at the foot of the table.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase	Decrease.
	£	£	£	£	£	£	£	£
Indian Trade Commissioner . .	2,425	2,475	4,190	6,114	9,676	..	..	2,425
British Empire Exhibition . .	19,003	—16,563	—49	..	..	..	..	19,003
Leave Salaries and Deputation Pay	5,158	5,621	3,980	2,798	2,338	2,550	..	958
Sterling Overseas Pay . . .				1,517	1,320	1,650		
Charges against the Literary grant, Grants-in-Aid and Miscellaneous Expenditure of the Secretary of State	4,192	3,092	767	795	555	4,575	383	..
The India Office Library and Record Office	..	..	4,515	2,995	2,723			
Miscellaneous Expenditure of the High Commissioner . . .	437	416	450	45	..	..	..	437
Stores	1,080	17	715	473	34	150	..	930
Total . . .	32,295	—4,942	14,568	14,737	16,646	8,925	383	23,753
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
The same converted into rupees at the official rate of exchange .	3,22,950	—49,420	1,45,680	1,96,494	2,21,951	1,19,000	..	2,03,950
Loss by Exchange. . .	1,22,997	—15,972	56,558	1,161	224	..	..	1,22,997
Total in Rupees . . .	4,45,947	—65,392	2,02,238	1,97,655	2,22,175	1,19,000	..	3,26,947
						Net Decrease		3,26,947

2. It will be seen that the table shows a decrease in sterling expenditure of £23,370. When the figures are converted into thousands of rupees, the decline becomes 3,27. The more important variations under individual sub-heads are explained below :—

(a) *Indian Trade Commissioner.*—The decrease under this sub-head is nominal only. The expenditure still continues, and has, indeed, grown to four times the figure of 1924-25; but it is now recorded under the head General Administration.

(b) *British Empire Exhibition.*—The decrease of £19,003 is a natural result of the closing of the Exhibition. The expenditure incurred in 1924-25 was, in fact, an unusual item.

(c) *Leave salaries, Deputation pay and Sterling overseas pay.*—Expenditure on this account always fluctuates, owing chiefly to variations in leave-salary. The decrease of £958 is probably mainly due to the working off of arrears of leave accumulated during the War.

(d) *Charges against the Literary Grant, etc.*—The fall under this head is due to a transfer of charges to the sub-head India Office Library and Record Office. The *net* variation in the two sub-heads combined is too small to require explanation.

(e) *Miscellaneous Expenditure of the High Commissioner.*—This sub-head includes recruitment expenses and miscellaneous allowances and passages. It naturally fluctuates within comparatively narrow limits.

(f) *Stores.*—As already explained, the figures shown against 1924-25 include the purchases of the Indian Stores Department, which are probably responsible for the bulk of the cost. The decrease of £930 may be assumed to be nominal only.

3. In summarising the course of expenditure under this head, it may be said that the decrease of 3,27 recorded in the table is almost entirely due to the

non-recurrence of the unusual expenditure of 1924-25 on the Empire Exhibition and to the transfer to the head General Administration of the cost of the Trade Commissioner and his staff. Other fluctuations are unimportant, though the outlay as a whole has shown a slight tendency to decrease.

Account No. 64.—Currency.

The following table shows the expenditure under this head in each of the six years under review. For convenience of reference, the figures of Currency revenue have been set out at the foot of the table and the *net* revenue deduced.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Charges in India—								
Controller and Deputy Controllers and their offices	3,77,716	3,80,117	3,88,693	4,19,806	3,98,540	3,96,100	18,384	..
Currency Offices	15,41,332	15,80,602	13,38,794	16,26,332	16,51,152	17,52,100	2,10,768	..
Currency Note Printing Press	..	..	..	43,186	2,92,019	6,74,000	6,74,000	..
Remittance of Treasure	8,00,543	8,99,977	8,95,053	9,10,245	9,55,058	9,43,800	1,43,257	..
Loss on Remittances of Notes and Specie	2,239	1,881	10	97,731	61,792	..	..	2,239
Discount on Bills	188	..	..	..	..	..	..	188
Works	3,193	4,129	7,494	6,11,766	11,973	1,15,000	1,11,807	..
Charges in England—								
Stores	21,53,720	18,73,006	22,98,644	33,47,829	8,63,508	9,17,000	..	12,36,720
Other Items	35,460	20,790	35,940	40,640	47,560	57,000	21,540	..
Loss by Exchange	8,34,315	6,23,805	7,89,562	21,223	1,120	..	..	8,34,315
Total	57,48,706	53,84,307	60,54,190	71,18,758	42,82,722	48,55,000	11,79,756	20,73,462
						Net Decrease		8,93,706
Revenue from Currency	3,57,55,372	4,29,95,964	4,06,79,504	2,43,71,987	2,44,62,311	2,66,85,000	..	90,70,372
Net Revenue	3,00,06,666	3,76,11,657	3,46,25,314	1,72,53,229	2,01,79,589	2,18,30,000	..	81,76,666

2. The table shows a decrease of 8,94 in expenditure and a fall of 90,70 in *net* revenue. The principal variations in expenditure under the different sub-heads are examined below.

(a) *Controller and Deputy Controllers and their offices* ... +18

The abolition of the office of the Deputy Controller, Northern India, caused a *net* all-over saving of 46; a rather greater saving under this sub-head being partially counterbalanced by minor increases under Currency Offices. The principal countervailing increases under the present sub-head were:—

+38 under Pay of Establishments, due to some small increase of staff, together with revision of pay and normal increments.

+11 under Allowances, of which 2 is due to Lee Concessions and the balance to the grant of compensatory allowances.

+30 under Contingencies. Of this, 19 was nominal only; 4 being the provision for the cost of priced publications, which is covered by corresponding revenue under Stationery and Printing; while 15, being occupier's tax and cost of electricity in Calcutta, has been transferred from other heads of account. A further item of 9 is a new charge on account of the rent of an office in Bombay.

(c) *Loss on Coinage.*—To arrive at the true loss, the figure of 4,27 must be reduced by 12; being the amount of recoveries credited as revenue in 1929-30 which, if they had accrued in 1924-25 (when the corresponding figure was 37), would have been brought to account by deduction from expenditure. The balance of the loss was due to the heavy withdrawals from circulation of rupees declared to be uncurrent in order to feed the new refinery.

(d) *Purchase of Local Stores.*—The bulk of the increase of 1,30 was due to the requirements of the electrolytic refinery. Of the expenditure on the latter, 25 was non-recurrent.

(e) *Expenditure in England.*—The increased demand for stores was largely due to the silver refinery. The growth under other charges represents larger provision for leave salaries and deputation pay. This provision, which appears large for so small a department, is justified by the actuals of recent years.

Account No. 66.—Civil Works.

In order to make an effective examination of the expenditure of the past six years upon Civil Works, it is necessary to take account of the outlay on buildings and communications which has, since the year 1926-27, been brought to account under the head Frontier Watch and Ward. Up to and including that year, no distinction was made between this class of expenditure and that on works unconnected with the defence of the frontiers; both classes alike being included under the head Civil Works. The following two tables have therefore been prepared, showing the combined expenditure on both classes in each of the six years under review. In Table A the outlay is distributed over the principal subheads of account; in Table B, it is distributed according to the areas to which the expenditure related. In view of the magnitude of the figures involved, both tables have been prepared in terms of thousands of rupees.

TABLE A.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Expenditure in India—								
Works	76,49	60,42	77,25	83,82	85,37	1,14,54	38,05	..
Repairs	69,27	74,06	81,23	89,57	91,89	95,32	26,05	..
Establishment	25,83	23,89	28,00	30,65	32,06	39,57	13,74	..
Tools and Plant	2,27	2,24	2,85	2,30	3,42	3,90	1,63	..
Grants-in-Aid	53	..	55	1,24	10	3,11	2,58	..
Suspense	2,38	—1,07	—74	—1,25	15	2,81	43	..
Reserve	..	..	..	..	..	7,23	7,23	..
Appropriation to Road Development Fund	..	..	..	..	4,50	83,30	83,30	..
Deduct—Cost of English Stores and Establishment	—19	—1,05	—96	—81	—99	—20	..	1
Deduct—Probable Savings	..	..	..	..	..	—11,60	..	11,60
Total	1,76,58	1,58,49	1,88,18	2,05,52	2,16,50	3,37,98	1,73,01	11,61
Expenditure in England	84	1,46	1,17	89	1,08	83	..	1
Loss by Exchange	31	48	39	..	..	..	..	31
Grand Total	1,77,73	1,60,42	1,89,74	2,06,41	2,17,58	3,38,81	1,73,01	11,93
						Net Increase	1,61,08	
Receipts	13,21	12,85	15,79	16,07	17,05	18,41	5,20	..
Net Expenditure	1,64,52	1,47,57	1,73,95	1,90,34	2,00,53	3,20,40	1,55,88	..

TABLE B.

Expenditure in India—	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Military Engineer Services . . } Gilgit . . . . . }	29,04	8,35	4,77	3,29	3,58	4,74	..	24,30
Viceregal Estates . . .	5,92	4,85	8,21	7,21	5,63	5,76	..	16
Delhi, Dehra Dun, Bareilly and Muktesar	23,54	22,50	52,70	55,47	48,10	62,10	38,56	..
Baluchistan	9,63	10,83	11,22	14,21	18,14	26,74	17,11	..
North-West Frontier Province .	50,98	52,91	49,90	56,21	70,98	86,30	35,32	..
Madras	1,29	1,38	1,12	89	1,24	1,79	50	..
Bombay	6,97	6,08	8,85	9,39	13,56	11,90	4,93	..
Bengal and Sikkim . . .	10,08	11,11	11,20	11,58	11,10	10,60	52	..
Andamans (excluding Forest Works)	2,63	1,35	1,35	1,57	1,49	2,10	..	53
United Provinces . . .	2,33	1,21	23	1	8	..	..	2,33
Ajmer-Merwara . . .	3,60	3,79	4,48	5,87	7,29	8,01	4,41	47
Rajputana	2,38	1,16	1,90	1,35	1,26	1,91	..	..
Punjab	68	.. }	.. }	.. }	43	..	..	68
Kabul Legation . . .	3,46	6,40 }	8,73 }	9,12 }	63	..	..	3,46
Simla Imperial Circle . .	10,63	6,52	6,54	5,60	4,88	6,53	..	4,10
Burma	1,02	1,70	1,58	9,67	9,11	9,30	8,28	..
Bihar and Orissa . . .	3,08	7,76	5,30	2,50	1,91	1,68	..	1,40
Central Provinces . . .	19	67	32	22	22	33	14	..
Central India . . .	5,51	5,82	5,82	6,29	6,24	6,83	1,32	..
Hyderabad	50	79	77	73	69	89	39	..
Assam	2,05	2,58	2,53	3,66	4,72	5,30	3,25	..
Coorg	1	1	1	1	..	1	..	..
Other Areas	1,06	72	65	67	72	63	..	43
Road Development Fund . .	..	..	..	..	4,50	83,30	83,30	..
Reserve	..	..	..	..	..	7,23	7,23	..
Deduct—Probable Savings . .	..	..	..	..	..	—6,00	..	6,00
Expenditure in England . .	84	1,45	1,17	89	1,08	83	..	1
Loss by Exchange	31	48	39	..	..	..	..	31
Total . .	1,77,73	1,60,42	1,89,74	2,06,41	2,17,58	3,38,81	2,05,26	44,18
						Net Increase	1,61,08	

2. It will be noticed from Table B that the budget estimates of 1929-30 made no provision for expenditure in the United Provinces or the Punjab; though outlay in these areas had figured in the accounts of certain earlier years. This is due to an administrative change. In the earlier years of the series, central works in these provinces were executed by the local Governments as agents of the Government of India. These agency functions have now ceased, and the construction and repair of central works in the two provinces is at present entrusted to the heads of the central departments concerned; the necessary provision being made, not in the grant for Civil Works, but in the relevant departmental grants. Exceptions are, however, made in the case of important works; and it is for this reason that provision for the works at Dehra Dun, Bareilly and Muktesar, which were under the control of the Chief Engineer of Delhi both in 1924-25 and in 1929-30, still appears under the Civil Works head.

3. In order to facilitate an investigation of the true increase of expenditure during the period under review, a third table has been prepared; comparing the outlay of the first and last years of the series after eliminating the ordinary expenditure of 1924-25 in the United Provinces and the Punjab. This table reads as follows:—

TABLE B.

	Accounts, 1924-25.			Budget, 1929-30.		
	Cost of Works and Repairs.	Cost of Establishment.	Percentage.	Cost of Works and Repairs.	Cost of Establishment.	Percentage.
Military Engineer Services and Gilgit	25,32	3,88	15·3	3,72	96	25·8
Viceregal Estates	5,17	65	12·6	4,39	87	19·8
Delhi, etc.	19,22	2,24	11·6	52,35	8,58	16·4
Baluchistan	7,84	1,69	21·6	21,47	4,95	23·1
North West Frontier Province	43,56	6,88	15·8	75,37	9,47	12·6
Madras	1,02	27	26·5	1,50	27	18·0
Bombay and Western India States Agency	5,59	1,20	21·5	8,91	2·77	31·1
Bengal and Sikkim	8,23	1,76	21·4	8,49	1,90	22·4
Andamans	87	31	35·6	1,50	56	37·3
United Provinces	1,85	47	25·4	..	..	..
Ajmer-Merwara and Rajputana	4,47	1,18	26·4	7,59	1,88	24·7
Punjab	53	14	26·4	..	..	..
Kabul Legation	(a)	(a)	..	..	..	..
Simla Imperial Circle	8,82	1,57	17·8	4,25	1,82	42·8
Burma	85	22	25·9	8,89	1,98	22·3
Bihar and Orissa	2,52	51	20·2	1,37	29	21·2
Central Provinces	14	4	28·6	27	6	22·2
Central India	4,32	1,10	25·5	4,87	1,45	29·9
Hyderabad	37	13	35·1	67	22	32·8
Assam	1,60	53	33·1	4,25	79	18·6
Coorg	1	·3	30·0	1	·2	20·0
Consulting Engineer, etc.	..	1,06	..	..	65	..
Total	1,42,30	25,83	18·2	2,09,87	39,57	18·8

(a) Figures not separable.

It will be noticed that the total percentage has risen from 18·2 to 18·8. An interesting, and probably natural, feature is the fact that in the North-West Frontier Province and Delhi, where the expenditure on construction and repairs is heaviest, it is found possible to work to the lowest percentages. The figures for the Andamans, Hyderabad and Central India illustrate the expense which is necessarily involved in the maintenance of special establishments for isolated areas; and the same is true of the Persian Gulf establishments included in the Bombay total. The percentage for the Simla Imperial Circle is conspicuously high; one of the causes doubtless being the amount of estate office work which has to be performed in connection with Government tenants of State house property, and another the fact that the entire pay of the Superintending Engineer, whose time is largely occupied in Secretariat work, was charged to the Civil Works budget. The figures of the budget of 1930-31 yielded an even larger percentage, but it is understood that the cost of the Simla establishment has since been drastically revised.

(d) *Tools and Plant* +1,66

The percentage of expenditure under this sub-head to the total outlay on original works and repairs has risen from 1·6 to 1·8, and calls for no remarks.

(e) *Grants-in-Aid* +2,58

The principal new items are grants to Delhi City for the improvement of the city mains (2,00) and for slum development.

(f) *Reserve* +7,23

It would appear unnecessary to include this provision in the budget while the latter contains an even larger deduction for anticipated savings: a smaller

deduct entry would apparently meet the requirements of the case. It is understood, however, that the present procedure is administratively more convenient. The revised estimates of 1929-30, after taking both items into account, expected a net saving of over 3 lakhs of rupees.

(g) *Appropriation for Road Development* +83,30

As already explained, this provision is made out of additional revenue raised expressly for the purpose, and it does not constitute a real addition to the true expenditure of the department.

5. The position under the head Civil Works may now be summarised by stating that the expenditure upon original works has expanded greatly, owing partly to the policy of development of communications on the north-west and north-east frontiers of India and partly to the requirements of the new Imperial City of Delhi. The principal outstanding commitments are the construction of the central jail for the North-West Frontier Province and that of the combined hospital for Delhi. The outlay upon repairs has necessarily grown with the number of works to be maintained, and has been increased by the transfer from the capital to the revenue side of the accounts of the cost of maintenance of a number of works in New Delhi and by the adoption, in the interests of motor transport, of a higher standard of road construction. The expenditure upon establishment has developed little more than proportionately to the outlay upon works, though in certain areas it appears to be conspicuously high.

Account No. 67.—Territorial and Political Pensions.

The following table sets forth the expenditure under this head in each of the six years under review.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Charges in India—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
India, General	1,34,552	1,42,967	1,60,523	1,53,274	1,71,360	1,69,000	34,448	..
Baluchistan	45,764	35,699	36,461	36,175	36,954	37,000	..	8,764
North-West Frontier Province	53,126	49,777	51,231	47,636	44,840	48,000	..	5,126
Madras	2,81,975	2,66,541	2,73,713	2,53,761	2,39,118	5,32,000	2,50,025	..
Bombay	4,65,338	4,29,078	4,48,566	3,25,668	3,16,478	3,58,000	..	1,07,338
Bengal	6,33,365	5,80,639	6,83,302	6,32,923	6,24,267	6,31,000	..	2,365
United Provinces	6,93,095	6,68,925	7,01,374	6,50,277	6,52,641	7,07,000	13,905	..
Punjab	61,430	66,009	60,085	59,016	56,200	59,000	..	2,430
Burma	1,74,832	1,77,831	1,27,238	1,46,056	1,41,632	1,50,000	..	24,832
Bihar and Orissa	45,421	38,950	42,170	38,932	40,115	39,000	..	6,421
Central Provinces	3,73,779	3,72,769	3,70,426	3,61,352	3,61,355	3,74,000	221	..
Assam	6,954	6,006	6,379	7,242	8,836	9,000	2,046	..
Coorg	1,671	1,723	1,330	1,194	990	1,000	..	671
Charges in England	1,22,888	1,05,410	73,070	1,46,754	1,17,925	1,19,000	..	3,888
Loss by Exchange	45,335	34,318	24,831	696	202	..	..	45,335
Total	31,39,525	29,76,642	30,60,699	28,60,956	28,12,913	32,33,000	3,00,645	2,07,170
						Net Increase	93,475	

2. It will be seen that the total outlay has grown by 93 during the six years' period. The principal variations under sub-heads are examined in the following paragraph.

3. (a) *India, General.*—The increase of 34 is nominal only. It is due to the transfer to this head of certain payments formerly brought to account under the head Superannuation Allowances and Pensions.

(b) *Madras.*—The increase is the result of the transfer to the central Government of a liability of 2,83 for Malikana allowances to ex-chiefs in Malabar which were formerly paid by the Government of Madras. The transfer was due to a decision that the allowances were granted for political reasons.

(c) *Bombay.*—The decrease of 1,07 is due to the transfer to His Majesty's Government of the responsibility for political pensions in Aden.

(d) *Burma.*—The fall of 25 is the result of the death of the ex-Queen of Burma; the saving caused thereby being partially set off by increases due to the transfer of certain payments from other circles of account and by minor enhancements of pensions.

(e) *English charges and Loss by Exchange thereon.*—The total decrease of 49 is due partly to the fact that a small advance payment was made in 1924-25, but in the main to the death of a pensioner and the consequent reduction by 33 of the pensions paid to his family.

4. The progress of expenditure may be summarised by stating that there has been a true increase of approximately 65. The outstanding features are the assumption of responsibility for charges of 2,83 formerly borne by the Madras Government; a transfer of 1,07 to His Majesty's Government; and reduction of charges through the deaths of pensioners.

Account No. 68.—Superannuation Allowances and Pensions.

The following table shows the expenditure under this head in each of the six years under review. For convenience of reference, the revenue from receipts in aid of superannuation, etc., is inserted at the foot of the table and the *net* expenditure deduced.

TABLE A.

——	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Charges in India—								
Pensions and Gratuities of retired Government servants .	22,89,693	70,48,802	59,01,184	63,58,110	65,44,765	68,32,856	45,43,163	..
Pensions for Distinguished and Meritorious services .	21,355	17,822	22,975	20,716	19,859	23,533	2,178	..
Special pensions connected with the War	1,23,329	1,02,431	94,891	91,479	91,793	92,217	..	31,112
Payments from Revenue on account of Commutations .	13,377,40	16,82,796	8,14,646	7,17,315	8,82,341	14,42,000	1,04,260	..
Family Pensions and Provident and Service Fund payments	1,23,018	1,96,779	2,03,174	2.09,602	2,16,015	2,18.050	95,032	..
Charges in England—								
Pensions, Gratuities and Family Pensions of English establishments .	6,65,900	5,88,440	7,32,730	9,10,053	7,90,000	8,72,000	2,06,100	..
Pensions and Gratuities of Indian establishments . . .	1,09,94,863	1,07,68,803	1,05,68,960	1,35,00,904	1,36,45,797	1,32,42,400	22,47,537	..
Pensions for Distinguished and Meritorious Services .	22,620	22,180	22,900	26,533	26,613	26,600	3,980	..
Payments from Revenue on account of Commutations .	2,05,480	4,21,220	..	..	..	..	..	2,05,480
Family Pensions, etc., of Indian establishments . . .	73,58,220	72,78,050	69,99,900	90,42,027	88,27,653	88,07,000	14,48,780	..
ss by Exchange .	71,66,671	62,50,310	62,37,507	1,02,702	34,513	..	..	71,66,671
Total .	3,03,08,889	3,43,77,633	3,15,98,887	3,09,79,441	3,10,79,349	3,15,56,656	86,51,030	74,03,263
Deduct—Charges transferred to Commercial Departments .	—17,05,143	—54,10,858	—54,24,167	—54,41,787	—62,66,956	—64,43,656	..	47,38,513
Net Total .	2,86,03,746	2,89,66,775	2,61,74,720	2,55,37,654	2,48,12,393	2,51,13,000	..	34,90,746
Deduct—Receipts in Aid	—22,31,697	—25,41,975	—22,12,083	—19,75,467	—20,35,115	—24,74,000	..	2,42,303
Net Expenditure	2,63,72,049	2,64,24,800	2,39,62,637	2,35,62,187	2,27,77,278	2,26,39,000	..	37,33,049

2. In order to obtain a clear idea of the true progress of expenditure in England, the first necessity is to distribute the Exchange figures of the earlier years of the series over the various sub-heads of account. This is done in the following table:—

TABLE B.

——	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Decrease.
Pensions, etc., of English establishments	Rs. 6,65,900	Rs. 5,88,440	Rs. 7,32,730	Rs. 9,10,053	Rs. 7,90,000	Rs. 8,72,000	Rs.
Exchange . .	2,47,949	1,92,777	2,49,416	3,981	1,171	..	
Total .	9,13,849	7,81,217	9,82,146	9,14,034	7,91,171	8,72,000	41,849
Pensions, etc., of Indian establishments .	1,09,94,863	1,07,68,803	1,05,68,960	1,35,00,904	1,36,45,797	1,32,42,400	
Exchange . .	40,93,948	35,27,932	35,97,587	59,054	20,221	..	
Total .	1,50,88,811	1,42,96,735	1,41,66,547	1,35,59,958	1,36,66,018	1,32,42,400	18,33,538
Pensions for Distinguished and Meritorious Services .	22,620	22,180	22,900	26,533	26,613	26,600	
Exchange . .	8,422	7,266	7,795	116	39	..	
Total .	31,042	29,446	30,695	26,649	26,652	26,600	4,542
Commutations .	2,05,480	4,21,220	..	..	..	..	
Exchange . .	76,511	1,37,995	..	..	..	..	
Total .	2,81,991	5,59,215	..	..	..	..	2,81,991
Family pensions, etc., of Indian Establishments . .	73,58,220	72,78,050	69,99,900	90,42,027	88,27,653	88,07,000	
Exchange . .	27,39,841	23,84,340	23,82,709	39,551	13,081	..	
Total .	1,00,98,061	96,62,390	93,82,609	90,81,568	88,40,734	88,07,000	12,92,061

3. It is now possible to prepare a consolidated table, showing the combined rupee and sterling expenditure of each year under the various sub-heads. The figures work out as follows, in thousands of rupees:—

TABLE C.

	Actuals. 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase	Decrease
Pensions, Gratuities and Family Pensions of English Establishments	9,14	7,81	9,82	9,14	7,91	8,72	..	42
Pensions and Gratuities of Indian establishments . . .	1,73,79	2,13,46	2,00,67	1,99,18	2,02,11	2,00,75	26,96	..
Pensions for Distinguished and Meritorious services . .	52	47	54	47	46	50	..	2
Special Pensions connected with the War	1,23	1,03	95	92	92	92	..	31
Payments from Revenue on account of Commutations . . .	16,20	22,42	8,15	7,17	8,82	14,42	..	1,78
Family Pensions and Provident and Service Fund payments for Indian establishments . .	1,02,21	98,59	95,86	92,91	90,57	90,25	..	11,96
Deduct—Charges transferred to Commercial Departments .	—17,05	—54,11	—54,24	—54,41	—62,67	—64,43	...	47,38
Total .	2,86,04	2,89,67	2,61,75	2,55,38	2,48,12	2,51,13	26,96	61,87
						Net Decrease .		34,91

The more important variations under individual sub-heads will be examined in the following paragraphs.

4. *Pensions, Gratuities and Family Pensions of English establishments.*—The following table shows, in pounds sterling, the expenditure, during the first five years of the period under review, on the items included under this sub-head. Separate figures for the budget of 1929-30 are not available. The items relate to the staff of the India Office and the High Commissioner.

TABLE D.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929 30.
	£	£	£	£	£	£
Superannuation Pensions . . .	41,793	38,192	40,981	43,104	42,751	
Compensation Pensions granted on reduction of staff	3,287	2,402	2,456	2,663	2,177	
Compassionate and Injury Pensions .	2,022	2,191	2,084	1,822	1,866	
Gratuities on the lines of the Superannuation Act, 1909	6,738	3,198	15,116	8,716	1,270	
Pensions to Widows and Families from funds (established by the East India Company) to which the officers subscribed	4,614	4,856	4,538	4,045	3,611	
Pensions from the India Office Provident Fund	8,136	8,005	8,098	7,904	7,575	
Total .	66,590	58,844	73,273	68,254	59,250	65,400

It will be seen that, apart from a steady and natural decrease in the family pensions payable from the old funds established by the East India Company, the principal fluctuations occur under the gratuities payable on the lines of the Superannuation Act of 1909. These are gratuities payable, in certain circumstances, to the heirs of deceased Government servants, and their amount varies from year to year with reference to the number of deaths that occur.

5. *Pensions and Gratuities of Indian Establishments.*—The principal features under this sub-head are a steady decrease in the sterling payments, counterbalanced by an even greater apparent rise in the rupee outlay, which is itself more than set off by an increase in recoveries from Commercial Departments. A growth in pensionary charges is a natural phenomenon. The expansion of Government departments has been steadily proceeding for a great many years; while changes in rates of pay and pension have tended to raise the average pensions drawn by pensioners of to-day as compared with those of their predecessors of six years ago. The growth has not been so large as might otherwise have been expected, owing to the fact, which will be the subject of comment in a later paragraph, that there has been an appreciable growth in the habit of commutation of pensions. Again, the progress of Indianisation must have tended to displace a number of sterling pensions by pensions paid in India. The general result is, therefore, on the lines which might naturally have been anticipated.

6. The variations in the rupee expenditure call, however, for more detailed examination. There was an apparent rise from 22,90 to 70,49 in 1925-26, followed by a fall to 59,01 in the following year; since when the growth has been comparatively steady. The principal underlying cause of those fluctuations is a change in the method of dealing with pensions of the Posts and Telegraphs and other commercial departments. In 1924-25, the pensions actually paid to ex-employees of those departments were not included in the figures shown in the first line of Table A. Their amount was in the neighbourhood of 34 lakhs, of which approximately 17 lakhs, having been sanctioned prior to the 1st April 1921, were a charge on the local Governments which actually disbursed them. This expenditure was, however, passed on by the local Governments to the central Government, together with a corresponding credit, which appears in the deduct entry shown at the foot of Table C. The central Government, in its turn, passed on to the commercial departments not only the 17 lakhs of pensions which it actually disbursed, but also the 17 lakhs disbursed by the provincial Governments. In effect, therefore, the commercial departments were bearing the cost of all pensions drawn by their pensioners; the benefit of the relief afforded by the payments made by local Governments accruing, not to the departments, but to the Government of India's general revenues.

7. This system was changed with effect from 1925-26. In view of the difficulty of calculating a particular department's exact share of pensions actually

paid, it was decided to charge to the Posts and Telegraphs Department in future a figure, calculated on the strength of its establishments, actuarially estimated to represent the true value of its annual pensionary liability. Pending the completion of the actuarial calculations, which is still awaited, the liability was tentatively fixed at 50 lakhs of rupees, and as establishments increased was raised to 58 lakhs in 1928-29 and to 60 lakhs in 1929-30. At the same time, it was decided that neither the expenditure met by the local Governments nor the relevant credit should be passed on to the central Government; the expenditure being finally debited in the provincial books. Since 1925-26, therefore, the full amount of commercial department pensions actually paid is included in the figures recorded in Tables A and C.; while the recoveries shown by deduction from expenditure include no recoveries from local Governments. but consist of the contribution of the Posts and Telegraphs Department together with smaller sums contributed by other commercial departments.

8.. Of the increase of 47,58 between the years 1924-25 and 1925-26, 18 or 19 lakhs are the amount of commercial department pensions, disbursed by the Government of India, which appear for the first time in the accounts. This growth is far more than set off by the increased recovery from the departments. A further growth of 17 lakhs is the result of a refund to the Madras Government of pensions wrongly debited to the province in earlier years. The balance of approximately 11 lakhs is an unusually large figure to result from the normal expansion of pensionary charges: but careful research has failed to reveal any special reason for the development.

The position under the sub-head may be summarised by stating that there has been a gross increase of expenditure by 27 lakhs, set off by an increase of 47 lakhs under recoveries. The *net* outlay has thus been reduced by 20 lakhs; the true reason being a transfer of 31 lakhs to the commercial departments.

10. *Special Pensions and Family Pensions connected with the War.*—The principal items recorded under this sub-head are pensions paid, under the War Risks Compensation Scheme, to lascars injured and to the dependants of lascars killed in the great War. Such payments may be expected to diminish steadily as years go on.

11. *Payments from Revenue on account of Commutations.*—The commutations covered by this sub-head are of two kinds. The first and larger class is that of the lump sum payments made direct to pensioners. The second class consists of the lump sum payments made to local Governments, by whom pensions will be disbursed, in commutation of the central Government's share of the pensions of individual Government servants who have served under that Government. The accounts of both classes of payments are complicated by an important change of procedure which has taken place during the period under review. Up to and including the year 1925-26, all payments by way of commutation were taken finally against revenue, while lump sum receipts from local Governments in commutation of their share of pensions disbursed from central treasuries were credited as revenue. The grant to a certain number of classes of pensioner of a definite right to commute, together with the raising of the limit of commutation from one-third to one-half of the pension, made it probable that a continuance of the old procedure would involve heavier demands upon the revenue budget than Government could contemplate with equanimity. It was decided, therefore, that, with effect from the accounts of 1926-27, all lump sum payments in respect of either class of commutation should be debited in the first instance to capital; a new head, outside the revenue accounts, being opened for the purpose. At the close of the year, such portion of the expenditure as Government decide to finance from Revenue is transferred to the revenue head. The balance remains at debit of Capital, and is written off to Revenue, over a series of fifteen years, by payments of equated instalments of principal and interest; the interest portion being debited in the shape of a transfer, from the Interest to the Superannuation head, of a portion of the interest due on the public debt of India. All lump sum payments made by local Governments in commutation of provincial pensions payable from central treasuries are now brought to account by deduction from the gross original debit to Capital. At the same time, commutations made in England ceased to be recorded finally in the English accounts and were passed on for adjustment to India; thus accounting for the cessation of the sterling entry

other hand, Government credits the Fund each year with interest, which even now exceeds 23 lakhs and will grow steadily for many years to come. The book balance of the Fund was over 3½ millions of pounds on the 31st March 1929, and constitutes a material addition to the unfunded debt of Government.

(*d*) *Lump sum payments in connection with the I.C.S. Provident Fund.*—These are additions to the fund accumulations of retiring members of the Indian Civil Service, granted in compensation for the pension contributions paid by them prior to the 1st April 1919. The steady decrease in their amount from year to year is due to the fact that the amount paid, which was fixed at £500 for officers retiring before the 1st April 1919, decreases by £20 for those retiring in each subsequent year; until it vanishes altogether in 1943.

(*e*) *Donations to Service and Provident Funds.*—The donations to Service Funds are comparatively small in amount and represent additions made by Government to certain classes of pensions granted from the Bengal and Madras Service Family Pension Fund. The donations to Provident Funds represent payments of bonus into "special" provident funds which take the place of pensions for certain services. Such payments are made annually and are simultaneously adjusted by debit to revenue under this head. They are comparatively small in amount, the subscribers to the funds being few in number.

17. *Deduct—Charges transferred to Commercial Departments.*—The nature of this deduction has been explained in paragraphs 6 and 7 above.

18. *General Summary.*—In summarising the general results of expenditure under this head, three sub-heads in particular call for remark. The expenditure upon pensions and gratuities of Government servants of the Indian establishments shows, when read together with the recoveries from commercial departments, an appreciable decline. The main causes of this are an increase in the recoveries from the Posts and Telegraphs Department, which are now intended to cover the complete pension liability involved by the maintenance of establishments on their present scale, and the commutation of considerable portions of a large number of pensions; these two causes being more than sufficient to counter-balance the normal growth of pensions through the increase of establishments and revision of pay. In spite of the great growth of commutations, the revenue expenditure on this object shows a small decrease. This is due to the fact that commutations are now financed in the first instance from borrowed funds and written back to revenue over a series of years. In carrying out this process, the expenditure from revenue may be expected to increase steadily for at least the next ten years; by the end of which period the new capital liability may have grown to the neighbourhood of 2½ crores. Finally, owing to the obsolescence of certain old funds, the expenditure on family pensions, etc., of Indian establishments shows an apparent decrease; which is more than set off by the revenue liabilities incurred in connection with the I. C. S. Family Pension Fund, to meet which no provision from revenue has been made. The remaining sub-heads call for no particular remarks.

Account No. 69.—Stationery and Printing.

The following table sets forth the expenditure under this head in each of the six years under review :—

Expenditure in India—	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Central Offices . . .	10,34,235	16,36,662	13,93,077	13,92,050	16,43,618	21,99,900	11,65,665	..
Purchase of Stores :—								
From Provincial Governments . . .	23,046	24,480	639	763	3,247	800	..	22,246
From other sources . .	34,19,661	36,61,248	44,60,948	50,66,239	59,96,335	51,12,500	16,92,839	..
Government Presses . .	23,70,788	22,93,202	21,96,717	20,72,420	23,88,784	23,26,300	..	44,488
Printing at Provincial Governments' Presses .	4,29,621	4,03,895	2,68,579	1,91,194	1,58,197	1,78,200	..	2,51,421
Printing at Private Presses .	24,716	22,484	36,395	3,271	1,609	54,200	29,484	..
Experimental Security Printing Press . . .	48,896	..	..	..	..	..	..	48,896
Other Items . . .	13,402	15,088	15,623	1,627	712	1,600	..	11,802

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Expenditure in England—								
Stores	6,72,074	10,10,637	3,91,911	3,73,347	4,21,627	6,67,000	..	5,074
Other Charges	61,443	1,34,550	99,661	1,40,656	1,38,973	1,91,000	1,29,557	..
Loss by Exchange	2,65,698	3,72,888	1,66,816	1,513	841	..	..	2,65,698
Total	83,63,583	95,75,134	90,30,366	92,43,050	1,07,53,943	1,07,31,500	30,17,545	6,49,625
Deduct—Recoveries—								
On account of Stationery	—32,87,014	—35,01,824	—34,49,167	—36,23,684	—23,27,030	—56,68,500	—8,39,020	..
On account of Printing	—15,42,466	—26,41,787	—24,23,041	—29,93,175	—28,08,588			
Total Deductions	48,29,480	61,43,611	58,72,208	66,16,859	51,35,618	56,68,500	8,39,020	..
Net Expenditure	35,34,100	34,31,523	31,58,158	26,26,191	58,18,325	50,63,000	21,78,525	6,49,625
						Net Increase	15,28,900	

2. The table shows an increase of expenditure, during the six years' period, by Rs. 15,28,900. This does not, however, represent a real growth of expenditure. There has, it is true, been a great expansion of the work of the department, which now purchases stationery and undertakes printing work for a number of parties which were not among its clients in 1924-25. The additional expense is, however, almost invariably passed on to the parties concerned; though a great part of the receipts is now credited as revenue of the department instead of being taken by deduction from expenditure. An important change of classification in respect of such recoveries was responsible for the apparently great rise in *net* expenditure which occurred between 1927-28 and 1928-29.

3. In order to make the true position rather more evident, a further table has been prepared, comparing the figures of the two years 1924-25 and 1929-30 only, and taking into account the revenue of the department and the additions to the depreciation funds estimated in the latter year. The latter may reasonably be deducted, since they represent the margin between the total provision from revenue for renewals and replacements and the amount which it was actually intended to devote to these purposes during the year. The table reads as follows:—

	Actuals, 1924-25.	Budget, 1929-30.	Increase.	Decrease.
Expenditure in India.				
Central Offices—				
Stationery Office	4,48	5,73	1,25	..
Central Printing Office	57	99	42	..
Central Forms Store	3,85	7,86	4,01	..
Central Publication Branch	1,44	7,42	5,98	..
Government Presses—				
Calcutta	10,65	9,55	..	1,10
Delhi	3,88	4,66	78	
P. S. V.'s	50	61	11	..
Aligarh	3,65	3,07	..	58
Simla	3,81	3,95	14	..
N. W. F. P.	76	1,15	39	..
Others	47	26	..	21
Experimental Security Printing Press	49	..	..	49
Purchase of Stores	34,20	51,13	16,93	..

	Actuals, 1924-25.	Budget, 1929-30.	Increase.	Decrease.
Payments to Provincial Governments—				
For Stationery supplied	23	1	..	22
For printing work done	4,29	1,78	..	2,51
Payments to Private Presses	25	54	29	..
Other Items	13	2	..	11
Expenditure in England.				
Stores	6,72	6,67	..	5
Other Charges	61	1,91	1,30	..
Loss by Exchange	2,66	..	..	2,66
Gross Expenditure	83,64	1,07,31	31,60	7,93
		Net Increase	23,67	
Deduct—				
Receipts—				
Credited by deduction from expenditure	48,29	56,68	8,39	..
Credited as Revenue	12,00	39,21	27,31	..
Increase in Depreciation Funds during the year	..	1,61	1,61	..
Total Deductions	60,29	97,60	37,31	..
Net Expenditure	23,35	9,71	..	13,64

4. This table shows a *net* decrease in real expenditure of 13,64, but even this figure requires some manipulation in order to bring out the true position. On the one hand, the outlay of 1924-25 was incorrectly reduced by an accidental double credit of 7,14 on account of recoveries from the Posts and Telegraphs Department. Against this must be set the fact that the budget estimates of 1929-30 contemplated recoveries of 16,55 from the Military Department, the Railway Department and certain other departments of Government which were on the free list in 1924-25; while the revenue estimates of that year expected to recover from various departments a sum of about 4 lakhs in respect of the cost of priced publications which would, in 1924-25, have been produced by the Stationery and Printing Department at its own expense. Taking all these factors into account, it is fair to state that there has been, during the six years' period, no appreciable change in the true expenditure under this head.

5. Detailed comments upon the more important variations shown in the table under various sub-heads of account are offered below: —

Central Stationery Office.—The growth of 1,25 may be put down to increase of staff in order to cope with the expansion of work to which reference has already been made. The principal new clients of the department are the four State-worked Railways and the Bengal-Nagpur Railway, all of which pay for the printing services rendered to them.

Central Printing Office.—The increase of 42 may be ascribed to the reorganisation and increase of staff due to the growth of work.

Central Forms Store.—The growth of 4,01 is mainly due to the increased demand for forms. The principal factors are:—

Re-organisation and increase of staff	+62
Payments to contractors for printing forms	+1,63
Making permanent the Forms Press	+1,51

Of the expenditure on the Forms Press, 1,12 was non-recurrent outlay on new machinery, etc.

Central Publication Branch.—Here there is an apparent increase of 5,98. Of this, as much as 4,75 is a purely nominal item, being the estimated manufacturing cost of priced publications, which is again credited in the accounts as a recovery of the department as a whole. The balance may be put down to increase of expenditure on staff, contingencies, etc., owing to the growth of work.

Calcutta Press.—The *net* decrease of 1,10 may be ascribed to a reorganisation and rearrangement of the work of the Press. This made possible, in addition to considerable savings due to concentration of work, substantial reductions in establishment; but a part of the saving was swallowed up by the necessity of giving better terms to the remaining staff.

Delhi Press.—A great part of the increase under this sub-head is due to the provision, in the budget for 1929-30, of 70 to cover a payment into the Depreciation Fund; whereas in 1924-25 no such payment was made, while the actual expenditure on renewals and replacements was 4 only. The small residue is due to reorganization and the grant of certain concessions to the staff.

Aligarh Press.—The decrease may be put down to the non-recurrence of certain heavy expenditure which occurred in the first two years of the series. This was largely outlay upon freightage and upon allowances for overtime work. The saving is partly reduced by the provision of 42 for the Depreciation Fund and 5 for Works in the budget of 1929-30, these items having no counterparts in the expenditure of 1924-25; and by revisions of pay costing 50.

N.-W. F. Province Press.—The increase of 39 is due to a revision of the pay of the staff, an increase in the rates paid for convict labour and a provision of 12 in the budget of 1929-30 for the purchase of new type.

Experimental Security Printing Press.—The Press has now passed the experimental stage, and the outlay upon it is recorded under another head of account.

Purchase of Stores.—The growth of 16,93 is a natural result of the extension of the operations of the department. It is balanced by increased recoveries.

Payments to local Governments.—These have decreased by 2,73 with the transfer of the bulk of the printing work to the Central Government's own Presses.

Payments to Private Presses.—The increase is nominal only. The budget of 1929-30 provided 44 under this head against the Central Printing Office; the money was, however, not spent, and the provision was not repeated in 1930-31.

Expenditure in England and Loss by Exchange.—The *net* decrease of 1,41 is mainly due to the fact that the figures of 1924-25 included heavy outlay upon the replacement of old printing machinery.

Receipts credited by deduction from Expenditure.—Of the *net* increase of 8,39, 4,75 is purely nominal, being set off by a charge of the same amount under the head Central Publication Branch on account of the manufacturing cost of priced publications. The growth under this head would have been far greater, had it not been for a change of classification which required the recoveries from local Governments to be brought to account as revenue of the Department. The estimate of this revenue for 1929-30 was 27,64.

Revenue.—The increase of 27,31 is explained by the change of classification mentioned above.

Increase in Depreciation Funds.—This item has been explained in para. 3 above. The Depreciation Funds were not in existence in 1924-25, when expenditure on renewals and replacements was charged direct to revenue.

Account No. 70.—Miscellaneous.

The following table exhibits the expenditure under this head in each of the six years under review.

Charges in India.	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decr
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Allowances, Rewards, etc. . .	1,78,359	1,73,211	1,86,996	85,119	51,758	86,200	..	92,159
Passages	..	..	1,84,179	32,347	4,023	..	..	..
Books and Periodicals . . .	72,112	81,099	80,620	80,690	77,964	79,530	7,418	..
Charity	34,148	33,448	23,513	28,501	35,373	30,800	..	3,348

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
Petty Establishments	64,836	67,712	68,744	64,527	57,375	66,300	1,464	..
Special Commissions of Enquiry	7,71,555	8,33,110	11,76,324	13,09,501	19,15,820	10,02,900	2,31,345	..
Irrecoverable Loans and Advances written off	3,88,073	47,629	49,345	29,530	35,508	23,980	..	3,64,093
Indian Soldiers' Board and Training Institute	32,638	34,437	31,676	34,765	35,907	38,090	5,452	..
Rents, Rates and Taxes	47,623	3,83,894	1,54,933	1,23,200	1,45,469	1,72,000	1,24,377	..
Contributions	4,63,191	4,78,007	4,25,075	4,62,102	4,77,496	4,74,400	11,209	..
Miscellaneous Compensations	28,09,963	27,99,310	27,88,103	27,91,629	27,87,065	27,91,100	..	18,863
Local Clearing Office	74,197	74,459	73,134	69,395	50,733	15,900	..	58,297
Loss by Exchange on local transactions	5,505	9,531	2,907	2,211	50,153	23,200	17,695	..
Reserve at the disposal of the Finance Department	..	..	..	..	..	5,00,000	5,00,000	..
Payments arising out of the War	24,715	37,554	75,819	15,411	2,643	2,500	..	22,215
Other Miscellaneous and Unforeseen Charges	91,508	2,54,724	1,40,430	51,314	67,453	1,00,500	8,992	..
Other Items	5,956	2,729	1,911	4,155	2,466	4,700	..	1,256
Total, India	50,64,379	53,10,854	54,63,709	51,84,397	57,97,206	54,12,100	9,07,952	5,60,231
						Net Increase	3,47,721	
Charges in England.								
Expenditure connected with appointments to the I. C. S.	83,530	68,470	94,980	..	..	..	..	83,530
Expenditure connected with the League of Nations	7,72,630	6,04,250	5,81,610	7,26,760	7,62,027	8,42,000	69,370	..
International Conferences, etc.	48,890	23,570	21,150	34,147	22,133	68,000	19,110	..
Indian Commissions and Committees	11,840	26,400	1,29,810	2,71,453	1,81,147	3,14,000	3,02,160	..
Relief and Repatriation of Indians and others	4,18,800	1,78,070	32,460	30,053	25,053	40,000	..	3,78,800
Pay, Allowances and Leave Salary	37,080	61,330	82,290	63,907	1,44,120	49,000	11,920	..
Commission on Pensions, etc., paid abroad	50,580	30,650	29,430	12,440	7,413	11,000	..	39,580
Contributions to School of Oriental studies	12,500	12,500	12,500	16,667	16,667	17,000	4,500	..
Secret Service	50,000	60,000	60,000	66,667	93,333	94,000	44,000	..
Stamps on documents connected with transfer of India Stock	77,240	..	..	..	..	..	..	77,240
Miscellaneous charges connected with supply of stores to India	1,46,710	1,62,870	92,500	26,586	2,11,200	2,40,000	93,290	..
Loss on Transport, etc.	5,54,330	..	47,790	..	..	..	..	5,54,330
Publications and Periodicals	30,830	60,330	21,680	18,986	27,173	56,000	25,170	..
tems	49,457	38,784	32,024	45,162	58,993	1,04,000	54,543	..
Total, England	23,44,417	13,27,224	12,38,224	13,12,882	15,49,259	18,35,000	6,24,063	11,33,480
						Net Decrease		5,09,417
Loss by Exchange	8,45,694	4,34,918	4,23,346	7,601	2,756	..	..	8,45,694
Grand Total	82,54,490	70,72,996	71,25,279	65,04,826	73,49,221	72,47,100	15,32,015	25,39,405
						Net Decrease		10,07,390

2. It will be seen that there has, during the period, been an increase of 3,48 under expenditure in India and a decrease of 13,55 under expenditure in England and loss by exchange taken together: the *net* decrease being 10,07.

3. In order to form a correct idea of the true variations in expenditure, it is necessary to distribute proportionately over the various sub-heads of the sterling account the Loss by Exchange recorded in 1924-25. If this be done, the sterling figures of 1924-25 and 1929-30 will compare as shown below when converted into rupees:—

Sub-head.	Actuals, 1924-25.	Budget, 1929-30.	Increase.	Decrease.
Appointments to the Indian Civil Service	1,14	..	..	1,14
League of Nations	10,51	8,42	..	2,09
International Conferences, etc.	67	68	1	..
Indian Commissions and Committees	16	3,14	2,98	..
Relief and Repatriation of Indians and others	5,70	40	..	5,30
Pay, Allowances and Leave Salary	50	49	..	1
Commission on Pensions, etc., paid abroad	69	11	..	58
School of Oriental Studies	17	17	..	..
Secret Service	68	94	26	..
Stamps on Documents	1,05	..	..	1,05
Supply of Stores to India	2,00	2,40	40	..
Losses on Transport, etc.	7,54	..	..	7,54
Publications, etc.	42	56	14	..
Other Items	67	1,04	37	..
Total	31,90	18,35	4,16	17,71
			Net Decrease	13,55

4. When this re-adjustment has been made, the more important variations under the head are seen to be the following:—

Increases. +		*Decreases.* —	
A. Indian expenditure on Special Commissions of Inquiry	2,31	H. Allowances, Rewards, etc.	92
B. Rents, Rates and Taxes	1,24	I. Irrecoverable loans written off	3,64
C. Reserve at the disposal of the Finance Department	5,00	J. Local Clearing Office	58
D. Sterling expenditure on Indian Commissions and Committees	2,98	K. Expenditure connected with appointments to the Indian Civil Service	1,14
E. Secret Service	26	L. Expenditure connected with the League of Nations	2,09
F. Miscellaneous Charges connected with Supply of Stores to India	40	M. Relief and Repatriation	5,30
G. Other Items	37	N. Commission on Pensions, etc., paid abroad	58
		O. Stamps on documents connected with transfer of India Stock	1,05
		P. Losses on Transport, etc.	7,54

Comment on each of these variations will be offered below.

5. *A. and D.—Indian Commissions and Committees.*—These two sub-heads combined show an increase of 5,29, although the Taxation Enquiry Committee and the Civil Justice Committee were at work in 1924-25. The growth of expenditure of this nature is a striking feature of the period under review.

B.—Rents, Rates and Taxes.—The growth of 1,24 under this sub-head is due to the fact that payment has now to be made to the Public Works Department for electric energy and water supplied to Government buildings in New Delhi. It is set off by an increase of revenue under the head Civil Works.

C.—Reserve at the disposal of the Finance Department.—This increase is almost entirely nominal, as little or no expenditure from the Reserve will be finally charged to this head. The Reserve is ordinarily employed to finance, in the first instance, expenditure from other grants which will ultimately be covered by re-appropriations or supple-

mentary votes affecting those grants. It is not obvious that the Reserve serves any useful purpose.

E.—Secret Service.—There has been an increase of £2,000 in the sum placed at the disposal of the Secretary of State for secret service.

F.—Miscellaneous Charges connected with supply of stores to India.—This is essentially a fluctuating sub-head, and the charges debited to it vary materially from year to year.

G.—Other Items.—The increase is mainly due to the cost of actuarial work connected with the valuation of the Indian Civil Service Family Pension Fund and the establishment of the Superior Civil Services Family Pension Fund.

H.—Allowances, Rewards, etc.—The decrease of 92 is due to the cessation of payments on account of Darbar presents and allowances for Vakils at Aden. His Majesty's Government has now taken over the liability for these charges.

I.—Irrecoverable temporary Loans written off.—The decrease is due to the fact that there was in 1924-25 a heavy debit in Baluchistan on account of remission of loans; takavi loans to the extent of 2,63 being written off, as well as a loan of 1,00 for the reconstruction of the Fort Sandeman Bazar.

J.—Local Clearing Office.—The decrease is due to the decline of work as the operations connected with Enemy Trading Concerns, etc., approach completion.

K.—Expenditure connected with recruitment for the Indian Civil Service.—The decrease of 1,14 is to a great extent nominal. Rather less than half of the expenditure has been transferred to the head General Administration, and the balance is now passed on to the local Governments who benefit by the recruitment.

L.—Expenditure connected with the League of Nations.—The decrease under this sub-head is mainly due to the reduction from £70,526 to £57,150 of the contribution paid by India to the expenses of the Secretariat of the League.

M.—Relief and Repatriation of Indians and others.—The outlay of 1924-25 included the cost of repatriating enemy subjects interned in India, as well as heavy post-war outlay on the repatriation, etc., of destitute Indians.

N.—Commission on Pensions, etc., paid abroad.—These payments were increased up to 1926-27 by heavy disbursements of gratuities and allowances to surplus officers of the Indian Army, which are no longer necessary.

O.—Stamps on documents connected with the transfer of India Stock.—The decrease under this sub-head is nominal only. The outlay has been transferred to the head Interest.

P.—Loss on Transport, etc.—The amount shown under this head in 1924-25 represents the cost of chartering a vessel in 1920 to meet the passage requirements of Government servants. It has no counterpart in 1929-30.

6. In appraising the real progress of expenditure under this head, it is clearly necessary to leave out of account items B, C, K and O. This gives a further decrease of 6,24 partially set off by an increase of 2,19. The *net* decrease thus rises to 14,12, and its main causes may be tabulated as follows:—

Non-recurrence of items arising in England out of the War	—12,84
Non-recurrence of heavy write-off of irrecoverable advances	—3,64
Decrease of expenditure connected with the League of Nations	—2,09
Transfer of charges to the Home Government	—92
Fall of expenditure on the Local Clearing Office	—58
	—20,07

Against the above must be set off a growth of 5,29 in the expenditure on special Commissions and Committees dealing with Indian affairs and other minor increases.

Account No. 71.—Extraordinary Payments.

The following table sets forth the expenditure recorded under this head in each of the six years under review. The head is intended to provide for special charges of a non-recurring character which it is desirable to distinguish from the ordinary expenditure of Government.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease
Special expenditure arising out of the late war ;—								
Special expenditure in Persia .	1,01,635	..	..	8,90,630	..	..	..	1,01,635
Charges in connection with certain vessels under the Indian Cargo Steamer Scheme . .	..	..	..	6,95,523	..	..	..	..
Ex gratiâ compensations paid to persons who suffered from enemy action during the war . .	..	25,00,000	23,285	..	..	..	..	..
Irrecoverable enemy debt due by British Nationals in India .	..	76,854	3,34,712	2,36,331	1,20,510	2,25,000	2,25,000	..
	1,01,635	25,76,854	3,57,997	18,22,484	1,20,510	2,25,000	2,25,000	1,01,635
						Net Increase .	1,23,365	

2. From the nature of the payments concerned, it is obvious that they must inevitably vary from year to year. Each item included in the statement is briefly explained below :—

(*a*) *Special Expenditure in Persia.*—The outlay of 1924-25 represents the final debit to revenue of certain loans and advances made to the Persian Government before and during the great war, which had long been held in suspense. It was eventually decided to forgo recovery.

The payment of 1927-28 was made to His Majesty's Government in adjustment of certain expenditure incurred during the war.

(*b*) *Charges in connection with certain vessels under the Indian Cargo Scheme.*—The disbursement of 1927-28 was made to the Home Government in adjustment of claims on account of vessels requisitioned during the war for the carriage of commercial cargo.

(*c*) Ex gratiâ *Compensation paid to persons who suffered from enemy action during the war.*—These payments were far more than covered by the profits accruing from the control of enemy ships seized during the war, from which they were met.

(*d*) *Irrecoverable enemy debt due by British Nationals in India.*—These payments are made in liquidation of debt due by British nationals in India to enemy nationals, which is irrecoverable from the actual debtors but payable, under the Treaty of Versailles, by the Government of India.

NOTE.—The figures in this Part, when not preceded by the sign " Rs.", represent thousands of rupees.

Account No. 1.—North-West Frontier Province.

The following table shows the rupee expenditure of the North-West Frontier Province under each major head of account in each of the six years under review. It is impossible to separate the sterling expenditure which related to the province from other sterling outlay of the Government of India. To make the picture more instructive, the heads of account which would, in the case of a Governor's province, involve, as affecting central subjects, a charge upon the central Government have been shown in a separate group at the end of the table, and a separate total has been deduced for them. The single case in which this plan has not been followed is that of the expenditure on buildings and communications which is now debited to the head Frontier Watch and Ward. This expenditure, for the earlier years of the series, cannot be distinguished from that incurred on ordinary Civil Works.

TABLE A.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land Revenue . .	6,44,083	7,30,148	7,27,349	6,23,102	5,82,565	5,31,000	..	1,13,083
Excise . . .	33,713	5,62,172	4,85,123	5,98,595	5,68,274	5,81,000	5,47,287	..
Stamps . . .	28,647	38,061	50,565	29,928	26,343	32,000	3,353	..
Forest . . .	5,88,713	5,47,321	6,40,719	9,49,058	8,52,532	8,90,000	3,01,287	..
Registration . .	11,084	12,606	12,181	12,552	14,496	15,000	3,916	..
Irrigation . . .	24,36,279	22,28,853	23,32,779	23,34,312	26,14,078	24,08,000	..	28,279
General Administration	16,32,700	16,52,900	16,77,950	17,22,863	17,37,259	18,16,000	1,83,000	..
Administration of Justice . . .	5,61,718	6,20,703	7,01,860	7,41,860	7,55,480	7,64,000	2,02,282	..
Jails and Convict Settlements . .	5,92,499	6,57,005	6,92,080	7,24,062	7,54,700	8,10,000	2,17,501	..
Police . . .	27,02,224	27,38,233	27,32,395	27,41,605	28,35,506	29,48,000	2,45,776	..
Scientific Departments	3,992	5,546	5,608	5,251	4,879	5,000	1,008	..
Education. . .	11,74,941	12,18,714	13,23,760	17,73,438	18,58,593	20,20,000	8,45,059	..
Medical . . .	3,94,521	4,45,285	4,89,430	4,21,356	4,20,888	4,50,000	55,479	..
Public Health . .	1,71,800	82,479	1,04,764	84,913	1,01,570	1,09,000	..	62,800
Agriculture . .	1,28,147	1,46,558	1,50,428	1,56,423	1,52,557	2,13,000	84,853	..
Industries . .	..	..	..	..	6,874	..	..	..
Miscellaneous Departments . . .	5,797	3,064	3,394	2,379	2,287	3,000	..	2,797
Civil Works (including Frontier Watch and rd) . . .	50,98,061	52,90,794	49,90,305	56,20,912	70,98,672	86,30,000	35,31,939	
uation Allow- nd Pensions	3,44,261	5,14,506	5,47,729	4,89,913	4,58,772	5,05,000	1,60,739	..
nery and Printing . . .	1,04,659	93,488	1,25,183	1,06,808	1,00,878	1,15,000	10,341	..
Miscellaneous . .	67,783	1,20,523	75,204	59,481	71,442	69,000	1,217	..
Total, " Provincial " Subjects . .	1,67,25,622	1,77,08,959	1,78,68,806	1,91,98,811	2,10,18,645	2,29,14,000	63,95,337	2,06,959
						Net Increase .	61,88,378	

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Territorial and Political Pensions . .	53,126	49,777	51,231	47,636	44,840	48,000	..	5,126
Customs . . .	8,949	12,928	13,014	13,729	14,370	15,000	6,051	..
Taxes on Income .	53,213	57,327	61,896	70,841	70,167	77,000	23,787	..
Interest on ordinary Debt (excluding Commercial Departments) . . .	—8,14,466	—8,36,045	—8,31,694	—8,34,440	—8,48,337	—8,75,000	..	60,534
Ecclesiastical . .	96,446	75,295	88,645	87,625	88,211	82,000	..	14,446
Political . . .	22,10,614	21,54,613	22,55,070	22,64,822	23,86,565	24,46,000	2,35,336	..
Frontier Watch and Ward (excluding Works) . . .	92,68,922	98,89,648	97,66,677	94,95,768	93,83,596	95,62,000	2,93,078	..
Currency . . .	2,449	5,340	3,134	3,138	3,829	5,000	2,551	..
Total, "Central" Subjects . .	1,08,79,253	1,14,08,883	1,14,07,973	1,11,49,119	1,11,43,241	1,13,60,000	5,60,853	80,106
						Net Increase	4,80,747	
Grand Total .	2,76,04,876	2,91,17,842	2,92,76,779	3,03,47,930	3,21,61,886	3,42,74,000	69,56,190	2,87,065
						Net Increase .	66,69,125	

2. The reasons for the more important variations of expenditure under various heads of account are discussed below :—

(*i*) *Land Revenue.*—The decrease of 1,13 is due to a lull in settlement operations, which should continue for several years to come.

(*ii*) *Excise.*—Of the total increase of 5,47, as much as 4,47 represents payments to the Governments of the Punjab and United Provinces on account of still-head duty on liquor, imported from those provinces, which is consumed in the North-West Frontier Province. This is the result of the adoption of the new principle that duty must follow consumption, and the payments should ordinarily be counterbalanced by increased revenue from duty credited under the revenue head. A further increase of 48 is purely nominal ; being the result of a charge to this head, instead of to a debt head, of the cost of opium supplied to the Excise Department. This also is covered by increase of revenue under Excise.

The balance of the increase is due to the revision of the pay of the Excise staff and to measures designed to prevent the smuggling of *charas*.

(*iii*) *Forest.*—The increase of 3,01 may be ascribed generally to an expansion of activity in the development and exploitation of the forests, which was expected to produce in 1929-30 revenue increased by 2,80 compared with that of 1924-25. The new expenditure was mainly incurred in connection with timber extraction and resin and fuel operations ; which, together with the effect of normal increments, involved increased expenditure of 66 on establishments. There was also a small new charge of 19 for interest on capital outlay.

It may be mentioned that the anticipations of increased revenue were not wholly realised. The revised estimates of 1929-30 foresaw a fall in revenue by 1,24 below the budget estimate. The more optimistic forecast was, however, repeated in the budget of 1930-31.

(*iv*) *Irrigation.*—The decrease of 28 is not a true decrease. The outlay of 1924-25 included unusual expenditure of 4,26 in connection with erosion by the action of the Indus at Dera Ismail Khan. On the other hand, the budget for 1929-30 contained provision of 2,00 for drainage and construction and of 51 for the restoration of an abolished second division, both of which are expected to prove remunerative ; as well as for the complete cost of a special temporary staff, costing 1,59, to survey irrigation possibilities in the North-West Frontier Province and Baluchistan. The true curring expenditure has increased rather less than a lakh.

(*v*) *General Administration.*—Of the total increase of 1,83, a sum of 85 is nominal, being due to the classification as revenue of recoveries, in connection with copying fees, which were formerly taken in reduction of expenditure. A further sum of 7 represents provision for the cost of priced publications, and is covered by

increased revenue under the head Stationery and Printing. Of the balance, 29 is the growth of cost of the local Secretariat, 36 relates to the office of the Revenue Commissioner, and about half a lakh is an increase, on account of revision of pay and accrual of increments, in the cost of district establishments ; set off by a reduction of 36 under Works and Contingencies.

(*vi*) *Administration of Justice.*—Of the total growth of 2,02, a sum of 48 is due to the appointment of an additional Judicial Commissioner with his staff ; 93 to increments, revisions of pay, increase of staff and over-provision for leave salary under Civil and Sessions Courts ; and 51 to the growth of work in Criminal Courts. The balance was the result of various minor changes.

(*vii*) *Jails and Convict Settlements.*—The increase of 2,18 may be generally ascribed to the growth of the jail population ; as much as 1,69 being due to increased outlay on diet and on Supplies and Services, and the bulk of the balance to increase of staff and to increments. There was, however, an increase of 35 under the sub-head Jail Manufactures, due to a larger demand for jail-made articles. Some part, at least, of this came back as revenue.

(*viii*) *Police.*—The total increase is 2,46. Of this, 31 represents the provision for grain compensation allowance made in the budget of 1929-30. The balance of 2,15 is almost equally divided between (1) the expansion of the Police force and (2) the revision of pay and allowances on the lines followed in the Punjab. There is a minor increase of 13 in expenditure on telephone connections, and falls of 27 and 37 under Training of Probationers and Equipment respectively.

(*ix*) *Education.*—The principal factors of the growth of 8,45 are the following :—

(*a*) Increased grants to the Islamia (1,23) and other colleges. .	1,63
(*b*) Expenditure under the "five-year Programme" . .	5,50
(*c*) Expansion of primary education not included in (*b*) . . .	71

97 under (*a*) and 3,21 under (*b*) represent non-recurring expenditure.

(*x*) *Medical.*—The growth of 55 is largely fictitious. Recoveries from local bodies totalling 48, which would have been brought to account in 1924-25 by deduction from expenditure, were credited as revenue in the budget of 1929-30.

(*xi*) *Public Health.*—In the year 1924-25, a grant of 80 was made for a Water Supply Scheme in the Hazara District. Leaving this out of account, there is a true increase of 17 ; of which 8 is due to the institution of a system of medical inspection for school children.

(*xii*) *Agriculture, etc.*—Of the growth of 85, a sum of 22 is due to the assumption by the province of responsibility for its own Veterinary work, for which it had previously relied upon the Punjab Government, and 55 to the initiation of a Co-operative Credit Department

(*xiii*) *Civil Works.*—Of the total increase of 35,32, as much as 21,65 is under the sub-head Original Works. The budget for 1929-30 included provision of 43,00 for this object ; of which 14,16 appears under Civil Works and the balance under Frontier Watch and Ward. It is obvious, therefore, that the requirements of frontier defence are responsible for most of the growth. Under Civil Works proper, there is provision of 2,57 for a new central jail, of which 20 lakhs still remain to be spent ; of 1,22 for works connected with the five-year educational programme ; and of 6,42 for the construction, improvement and bridging of roads unconnected with Defence.

There is a growth of 10,16 under Repairs, which is a natural result of the active construction of the past six years ; and an increase of 2,59 under Establishment. It may be noted that the establishment charges of 1929-30 bear a percentage of 12·6 to the total outlay on Works and Repairs ; whereas the corresponding percentage of 1924-25 was as great as 15·8.

(*xiv*) *Superannuation Allowances and Pensions.*—There is a growth of 1,61 ; and it will be noticed that the real increase took place between the years 1924-25 and 1925-26. It was due partly to an increase in the rates of pension of Frontier Militia, and partly to a transfer to this budget of payments made to other Governments in respect of commuted value of pensions.

(*xv*) *Taxes on Income.*—The increase of 24 is due to the expansion of staff owing to growth of work and to the accrual of normal increments.

(*xvi*) *Interest.*—The minus figure under this head represents the difference between the amount of interest debitable to the Irrigation and other commercial accounts of the province and the sums actually paid out to inhabitants of the province as interest on public debt held by them. It has inevitably grown with the expansion of capital expenditure.

(*xvii*) *Ecclesiastical.*—The decrease of 14 is set off by a larger increase in sterling charges, due to the introduction of sterling overseas pay.

(*xviii*) *Political.*—Of the growth of 2,25 a sum of 30 represents a transfer from the military budget; while the civil budget of 1929-30 included provision for special non-recurring charges of 70. There was an increase of 30 under political subsidies, representing a subsidy payable to His Highness the Mehtar of Chitral. The balance of about a lakh was the result of the expansion of establishments and revision of pay.

(*xix*) *Frontier Watch and Ward.*—The increase of 2,93 is mainly due to the following items :—

(*a*) Provision for grain compensation allowance . . .	78
(*b*) Grant of bonus to members of the Waziristan Corps after six years' service	37
(*c*) Revision of pay of officers .	70

Of these (*a*) may be regarded as non-recurrent. The balance is the *net* result of a number of small items.

3. To summarise the history of expenditure on what may be called provincial subjects, it may be stated that the gross increase is 61,88. To this should be added 5,06, being unusual non-recurrent items which appeared in the accounts of 1924-25, making a total of 66,94. On the other hand, the budget of 1929-30 made no provision for recoveries amounting to 6,35 which are now credited as revenue, while a further sum of 30 represents a transfer from the military budget. This leaves a *net* increase of about 60 lakhs. Of this :—

(*a*) Expenditure of 5,52 under Forests and Irrigation is expected to prove remunerative.

(*b*) 35,52 under Civil Works is largely due to the requirements of the defence of the north-west frontier of India, which is properly classed as a central subject.

(*c*) A further sum of about 5,50 is purely non-recurrent expenditure.

(*d*) The balance of about 11,50 is due in the main to general growth of work under General Administration, Administration of Justice, Jails and Police; to the requirements of the five-year programme of educational expansion and to the development of Veterinary and Co-operative Services.

4. The growth by 4,81 of outlay on the central subjects proper is almost entirely due to the increase of Political expenditure and expenditure on the defence of the frontier.

5. In order to obtain a clear idea of the financial position of the Province as a whole, it is desirable to compare its revenue with its expenditure. The following table has accordingly been prepared showing the revenue accruing under various heads in each year of the series. In this case also the revenue from those subjects which would, in a Governor's province, be classed as central has been shown in a separate section.

TABLE B.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land Revenue	21,95,542	21,87,198	24,16,024	22,94,618	19,84,540	21,88,000	..	7,542
Excise	5,38,112	5,54,651	4,88,777	15,41,325	11,65,912	9,95,000	4,56,888	..
Stamps	12,13,874	11,89,331	11,29,926	11,28,601	11,51,849	11,62,000	..	51,874
Forest	6,69,767	7,44,207	7,91,166	7,56,700	8,29,377	9,50,000	2,80,233	..
Registration	83,224	85,401	80,712	77,270	77,620	79,000	..	4,224
Irrigation	16,43,491	17,51,446	21,10,696	17,53,504	15,71,375	21,06,000	4,62,509	..
Administration of Justice	2,82,586	2,39,022	2,38,345	2,58,637	2,27,146	2,39,000	..	43,586
Jails and Convict Settlements	1,10,306	1,12,935	1,12,967	1,22,793	1,19,328	1,24,000	13,694	..
Police	23,826	15,163	30,937	46,369	55,047	46,000	22,174	..
Education	74,486	36,618	44,152	50,322	55,615	56,000	..	18,48
Medical	1,669	1,381	737	1,412	49,948	48,000	46,331	..
Public Health	197	927	1,002	2,539	1,843	2,000	1,803	..
Agriculture	35,659	35,465	53,288	13,949	30,176	39,000	3,341	..
Industries	379	..	..	..	..	..	..	37
Miscellaneous Departments	471	1,458	2,064	899	3,313	1,000	529	..
Civil Works	74,388	54,379	67,310	74,270	63,071	67,000	..	7,388
Receipts in aid of Superannuation	73,589	1,03,663	73,633	46,237	36,185	37,000	..	36,589
Stationery and Printing	18,480	33,260	41,740	15,220	26,233	47,000	28,520	..
Miscellaneous	4,88,658	3,85,352	4,28,172	3,93,014	4,68,837	5,78,000	89,342	..
Total, " Provincial " Subjects	75,28,704	75,31,857	81,11,648	85,77,679	79,17,415	87,64,000	14,05,364	1,70,068
						Net Increase	12,35,296	

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Customs	1,378	2,568	2,206	2,358	1,407	2,000	622	..
Taxes on Income	6,54,816	7,85,398	10,09,711	9,85,281	9,72,567	8,84,000	2,29,184	..
Opium	72,480	68,600	..	..	..	..	..	72,480
Interest	49,214	46,080	75,742	1,23,415	92,154	1,09,000	59,786	..
Currency	8,853	9,234	6,860	7,028	6,064	7,000	..	1,853
Total, " Central " Subjects	7,86,741	9,11,880	10,94,519	11,18,082	10,72,192	10,02,000	2,89,592	74,333
						Net Increase	2,15,259	
Grand Total	83,15,445	84,43,737	92,06,167	96,95,761	89,89,607	97,66,000	16,94,956	2,44,401
						Net Increase	14,50,555	

It may be mentioned that the increase of receipts shown in the above table under Excise and Medical is purely nominal, being due to a reclassification of recoveries; while that under Forests and Irrigation is covered by a specific increase of expenditure which was designed to produce it. This reduces the true increase of revenue from 14,51 to the neighbourhood of 2 lakhs.

6. The net expenditure of the two years 1924-25 and 1929-30 (budget) may suitably be compared as in the following table; in which revenue is shown *net* after deducting the cost of collection, etc., and expenditure after deducting incidental receipts. The figures are in thousands of rupees.

TABLE C.

Revenue Heads *Net.*				Expenditure Heads *Net.*			
Head.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—).	Head.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—).
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Land Revenue	15,52	16,57	+1,05	Irrigation	7,93	3,02	—4,91
Excise	5,04	4,14	—90	General Administration	16,33	18,16	+1,83
Stamps	11,85	11,30	—55	Administration of Justice	2,79	5,25	+2,46
Forest	81	60	—21	Jails	4,82	6,86	+2,04
Registration	72	64	—8	Police	26,78	29,02	+2,24
Miscellaneous	4,89	5,78	+89	Scientific Departments	4	5	+1
				Education	11,01	19,64	+8,63
				Medical	3,92	4,02	+10
				Public Health	1,72	1,07	—65
				Agriculture, etc	92	1,74	+82
				Miscellaneous Departments	5	2	—3
				Civil Works	50,24	85,63	+35,39
				Pensions	2,70	4,68	+1,98
				Stationery and Printing	87	68	—19
				Miscellaneous	68	69	+1
Total " Provincial " Subjects	38,83	39,03	+20		1,30,80	1,80,53	+49,73
				Excess of Expenditure over Revenue	91,97	1,41,50	+49,53
Customs	—8	—13	—5	Territorial and Political Pensions	53	48	—5
Taxes on Income	6,02	8,07	+2,05	Interest	—8,63	—9,84	—1,21
Opium	72	..	—72	Ecclesiastical	96	82	—14
Currency	6	2	—4	Political	22,11	24,46	+2,35
				Frontier Watch and Ward	92,69	95,62	+2,93
Total " Central " Subjects	6,72	7,96	+1,24		1,07,66	1,11,54	+3,88
				Excess of Expenditure over Revenue	1,00,94	1,03,58	+2,64
Gross Total for Province	45,55	46,99	+1,44		2,38,46	2,92,07	+53,61
				Excess of Expenditure over Revenue	1,92,91	2,45,08	+52,17

7. In scrutinising the totals of expenditure upon "provincial" and "central" subjects, it must be remembered that these are vitiated by the inclusion in the former, under the head Civil Works, of expenditure on frontier works which should properly be charged to the "central" head Frontier Watch and Ward. This amounted to 50,32 in 1929-30. In the accounts of 1924-25, it is impossible to separate it with exactitude from the expenditure on other civil works; but it may be taken to have been in that year in the neighbourhood of 35 lakhs. On this assumption, the growth of "provincial" expenditure should be reduced by 15,32 to 34,41, with a corresponding increase under "central" from 3,88 to 19,20. Similarly, the "provincial" excess of expenditure over revenue is reduced, in 1929-30, to 1,11,18, and the "central" excess is raised to 1,53,90. The province, as a whole, remains, according to the budget of 1929-30, a deficit province to the extent of nearly 2½ crores of rupees.

8. Looking at the "provincial" figures alone, after making the suggested reduction under Civil Works, it will be seen that the province would require a subvention of 1,11 lakhs to enable it to finance, on its present scale of expenditure, what are classed as provincial subjects in Governors' provinces. Its outlay on these subjects has grown, during the past six years, by 34,41, while its "provincial" revenue has remained, to all intents and purposes, stationary. This anomalous financial position is due to the position of the province as the warden, on behalf of the whole of India, of its north-western frontier.

Account No. 2.—Baluchistan.

The following table sets forth the rupee expenditure of this administration under each major head of account in each of the six years under review. The sterling expenditure cannot be included, as it is inseparable from that of the Government of India as a whole and the other minor administrations. Here also, the heads of account which would, in the case of a Governor's province, involve, as affecting central subjects, a charge upon the central Government have, with one exception, been shown in a separate group at the end of the table and a separate total has been deduced for them. The exception is the expenditure on buildings and communications which is now debited to the head Frontier Watch and Ward. Expenditure of this kind, in the earlier years of the series, cannot be distinguished from that incurred upon ordinary Civil Works. Certain services, which were, when the new head Frontier Watch and Ward was created, transferred to it from the heads General Administration, Police and Medical Services have, however, been shown under the new head throughout in order to facilitate comparison.

TABLE A.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land Revenue	2,82,469	2,95,353	3,00,889	3,02,717	3,84,620	3,89,000	1,06,531	..
Excise	15,344	30,460	25,165	31,954	39,020	51,000	35,656	..
Stamps	2,616	2,465	2,467	5,045	9,151	5,000	2,384	..
Forest	30,478	31,358	32,422	34,018	36,878	37,000	6,522	..
Registration	2,824	2,701	2,786	2,809	3,254	3,000	176	..
Irrigation	1,96,903	2,20,994	2,25,810	2,46,908	2,98,192	4,91,000	2,94,097	..
General Administration	1,64,425	1,94,151	1,86,111	1,89,735	1,73,950	1,64,000	..	425
Administration of Justice	46,661	50,033	67,355	69,770	78,317	80,000	33,339	..
Jails and Convict Settlements	70,071	76,031	95,938	1,18,003	1,25,550	1,30,000	59,929	..
Police	11,05,446	11,28,386	11,32,548	11,44,788	11,01,785	11,99,000	93,554	..
Scientific Departments	9,823	10,967	11,231	12,384	11,426	11,000	1,177	..
Education	2,32,934	2,78,474	2,79,123	3,08,350	3,34,589	3,42,000	1,09,066	..
Medical	3,00,653	2,96,925	3,12,803	3,22,820	3,26,441	3,39,000	38,347	..
Public Health	14,427	13,418	13,965	18,619	17,432	15,000	573	..
Agriculture, etc.	71,752	80,579	1,06,032	1,64,487	1,07,484	1,00,200	28,448	..
Miscellaneous Departments	3,355	8,347	3,366	1,543	14,344	19,000	15,645	..
Civil Works (including Buildings and Communications under Frontier Watch and Ward)	9,62,877	10,83,439	11,22,249	14,21,479	18,13,196	26,74,000	17,11,123	..
Famine Relief	..	1,02,611	..	..	..	..	..	..
Superannuation Allowances and Pensions	91,400	1,31,915	95,885	89,165	68,339	91,000	..	400
Stationery and Printing	1,964	958	1,405	990	1,000	1,000	..	964
Miscellaneous	6,01,636	2,73,165	2,73,912	2,59,242	2,33,356	2,64,000	..	3,37,636
Total "Provincial" Subjects	42,08,058	43,12,730	42,91,462	47,44,826	51,78,324	64,05,200	25,36,567	3,39,425
						Net Increase	21,97,142	
Customs	..	13,140	14,881	13,554	11,691	13,000	13,000	..
Taxes on Income	10,725	12,497	13,558	16,554	16,163	19,000	8,275	..
Opium	152	345	..	..	..	..	..	152
Ecclesiastical	34,174	31,293	38,172	27,541	30,574	34,000	..	174
Political	15,75,111	14,31,829	14,62,305	15,09,409	15,49,998	15,99,000	23,889	..
Frontier Watch and Ward (excluding Works)	25,04,493	25,45,738	26,48,880	27,25,200	27,92,324	30,25,000	5,20,507	..
Currency	1,011	912	1,240	997	1,528	1,000	..	11
Territorial and Political Pensions	45,764	35,699	36,461	36,175	36,954	37,000	..	8,764
Total "Central" Subjects	41,71,430	40,71,453	42,15,497	43,29,430	44,39,232	47,28,000	5,65,671	9,101
						Net Increase	5,56,570	
Grand Total	83,79,488	53,84,183	85,06,959	90,74,256	96,17,556	1,11,33,200	31,02,238	3,48,526
						Net Increase	27,53,712	

2. The more important variations under individual major heads of account are discussed below.

(*a*) *Land Revenue* .....+1,07

Of this increase, as much as 70 is purely nominal. The debit as expenditure of certain cash assignments and grain allowances, which were formerly brought to account by deduction from revenue received, caused an apparent growth of 58 ; while a provision of 12 for Works represents a transfer from the head General Administration. The most important factors in the real increase of 37 are increased provision of 13 under leave-salary and of 13 under Allowances. The latter is due to the revision of travelling allowance rates and to the grant of compensatory allowances to establishment serving in certain remote areas.

(*b*) *Excise* ..... +36

There is a nominal increase of 19 due to a change of accounting procedure. Under the system previously in force, both the cost price of opium and its sale proceeds were taken to remittance heads ; the *net* profit alone being subsequently credited as revenue under Opium. At present, the gross cost price (19) is debited to this head and the gross sale proceeds are credited to the revenue head Excise. The balance of the increase is mainly due to additions to establishment and revisions of pay.

(*c*) *Irrigation* ..... +2,94

There is a growth of 2,09 under Capital expenditure charged to Revenue, and of 1,10 under revenue expenditure on Works, which represents the cost of measures undertaken to conserve the water-supply of Baluchistan. These measures are not expected to produce additional revenue. Further provision of 50 is made for a temporary and experimental expansion of staff. On the other hand, there is a *minus* provision of 50 for probable savings. The budget of 1930-31 contained a further sum of 3,86 for the completion of the works under the Capital sub-head.

(*d*) *Administration of Justice* . . +33

A nominal growth of 29 was caused by the transfer from the head Political of the cost of an Extra Assistant Commissioner working as Additional District Magistrate and Additional District Judge.

(*e*) *Jails and Convict Settlements* . +60

The increase is due to the fact that the administration has begun to meet the cost of its own long-term convicts. These are now maintained, at the expense of Baluchistan, in various Indian jails, pending the completion of a central jail which is under construction at Mach.

(*f*) *Police* . . . . . +94

A provision of 39 was made in the budget of 1929-30 for non-recurring expenditure on the re-armament of the Zhob Loralai Police. A further increase of 84 represents the cost of accrual of normal increments and excessive provision for leave-salary in an over-estimated budget. A deduction of 35 was, however, made for probable savings ; and the revised estimates anticipated a total saving of 71, thus reducing the growth of expenditure under the head to 58.

(*g*) *Education* . . . +1,09

The following table shows the distribution of the educational expenditure of the administration over the principal branches of education in the first and last years of the period :—

	Actuals, 1924-25.	Budget, 1929-30.
Secondary . .	1,05	1,77
Primary . . .	68	1,02
Special . . .	16	30
Direction and General	44	65
Works . . .	..	8
Probable Savings .	..	—40
	2,33	3,42

The expenditure on Works is a mere transfer from the head General Administration, to which all such charges were previously debited, and the deduction for probable savings must be distributed over the other sub-heads of account. Leaving the deduction out of consideration, there has been a growth of 72 under Secondary, of 34 under Primary and of 14 under Special Education, and an increase of 21 under Direction and General, of which 11 is due to the grant of additional scholarships.

The greater part of this growth was the result of the five-year programme of educational development, which was responsible for the following provision in the budget of 1929-30 :—

	Recurring.	Non-recurring.
Secondary . . .	23	22
Primary . . .	12	..
Special . . .	15	..
Direction and General .	8	..
	58	22

It will be noticed that primary education received no more than 15 *per cent.* of the programme distribution, and that

the total outlay on this class of education is less than 27 *per cent.* of the total expenditure under the head. The similar percentages for secondary education are 56 and 46.

(*h*) *Medical Services* . . +38

Expenditure of 20 incurred in 1924-25 upon services which are now a charge against the head Frontier Watch and Ward has been omitted from the figures of that year. The growth of 38 is mainly due to expansion of establishments, but partly to the accrual of normal increments.

(*i*) *Agriculture, etc.* . . +28

The increase is due to the extension of the activities of the Civil Veterinary Department.

(*j*) *Miscellaneous Departments* . +16

The appointment of an Inspector of Boilers, Factories and Electricity is the cause of the growth.

(*k*) *Civil Works* +17,11

There has been a growth of 10,05 under Original Works, of 3,58 under Repairs and of 2,26 under Establishment. The provision for works connected with Frontier Watch and Ward in the budget of 1929-30 was 2,01 under Original Works and 5,60 under Repairs; and the bulk of the former and some 3 lakhs of the latter may be taken to constitute new expenditure due to the requirements of the defence of the frontier.

The budget of 1929-30 for ordinary Civil Works provided 7,50 for the completion of the central jail at Mach. The balance of the growth under Repairs is the necessary result of the heavy construction programme of recent years and of the higher standard of road conservation which is now in force. The percentage of cost of Establishment to cost of work done has risen from 21·6 to 23·1 during the period.

(*l*) *Miscellaneous* —3,38

The decrease is mainly due to the fact that the year 1924-25 saw unusual expenditure on the write-off of irrecoverable loans and advances. *Takavi* to the amount of 2,63 was written off, and a lakh of rupees was written off the loan made for the construction of Fort Sandeman bazaar. The *net* decrease in such remissions is 3,52; so that there has been a true growth of 14 under this head. This was due to increased expenditure on Darbar presents and allowances to Vakils and on grants in aid of libraries, local bodies, etc.

(*m*) *Customs* +13

This increase is nominal only. The expenditure on the Land Customs establishment at Chaman has been transferred to this head from the head Political.

(*n*) *Political* . . . . +24

In order to deduce the true increase of expenditure under this head, it is necessary to take into account transfers of 29 and 13 to the heads Administration of Justice and Customs respectively, as well as the fact that the accounts of 1924-25 included unusual outlay of 55 on a railway survey. The real growth of expenditure then becomes 1,21. This is due to the expansion of staff, resulting in enhanced outlay on pay, allowances and contingencies, the revision of pay and the accrual of increments; partly set off by a *minus* provision of 50 for probable savings.

(*o*) *Frontier Watch and Ward* . +5,21

This considerable expansion is almost entirely due to increase of establishment in the various constabulary and levy corps employed on the frontier. An increase of 91, on account of temporary additions to the Chagai Levy Corps, will not necessarily recur indefinitely.

3. It is now possible to summarise the principal features of the growth of expenditure. The table shows an increase during the six years of 21,97 in expenditure on "provincial" subjects; of 5,57 in expenditure on "central" subjects; and of 27,54 in both classes of expenditure taken together. In considering the "provincial" totals, it is necessary to leave out of account about 7,60 of the increased outlay on Civil Works, which really appertains to the "central" subject Watch and Ward; increases of 77 under Land Revenue and Excise, which are covered by corresponding additions to revenue; and a sum of 29 under Administration of Justice, which has been transferred from the "central" head Political. The unusual expenditure of 1924-25 under the head Miscellaneous may be set off against non-recurring items of 1929-30 under Irrigation and Police. The true increase of expenditure then becomes 13,31; of which 7,50 represents non-recurring outlay on the construction of a central jail and about 2 lakhs the growth in the ordinarily recurring expenditure under Civil Works. Of the balance of 3,81, a sum of 80 is due to the five-year educational programme; 60 to the arrangements for housing long-term convicts and the residue to minor increases under various heads of account.

4. The true increase under "central" subjects, taking into account 7,60 connected with frontier communications which is included under Civil Works and the transfer of 29 from Political to Administration of Justice, becomes 13,46; and this growth is almost entirely due to the increased demands of frontier defence.

5. The revenue of the province under various major heads is exhibited in the following table. Here also "provincial" have been entered separately from "central" subjects.

TABLE B.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land Revenue	9,16,872	9,18,673	9,74,402	9,89,619	10,89,352	10,56,000	1,39,128	..
Excise	6,42,817	6,06,365	5,89,810	6,28,188	6,37,001	5,95,000	..	47,817
Stamps	1,95,240	1,90,064	1,66,109	1,79,659	1,93,307	1,88,000	..	7,240
Forest	20,593	23,622	27,942	29,867	23,425	25,000	4,407	..
Registration	5,239	5,454	6,568	5,738	6,711	7,000	1,761	..
Irrigation	75,317	49,180	35,932	73,897	79,746	55,000	..	20,317
Administration of Justice	32,348	34,902	27,533	31,808	32,324	32,000	..	348
Jails and Convict Settlements	2,486	3,450	3,848	5,319	5,462	5,000	2,514	..
Police	5,680	12,211	8,440	13,872	10,541	10,000	4,320	..
Education	34,264	39,562	41,545	42,590	44,980	46,000	11,736	..
Medical	8,696	7,903	5,621	7,464	6,573	7,000	..	1,696
Agriculture, etc.	13,145	10,740	20,930	17,586	11,988	18,000	4,855	..
Miscellaneous Departments	46	93	58	1,371	—773	..	..	..
Civil Works	50,618	42,866	59,039	44,980	48,281	48,000	..	2,618
Receipts in aid of Superannuation	12,715	11,696	14,171	15,936	16,196	19,000	6,285	..
Stationery and Printing	250	212	180	168	166	4,000	3,750	..
Miscellaneous	21,930	31,129	38,327	93,351	50,552	51,000	29,070	..
Total "Provincial" Subjects	20,38,256	19,88,122	20,20,455	21,81,413	22,55,832	21,66,000	2,07,826	80,082
						Net Increase	1,27,744	
Customs	..	..	473	1,450	1,729	1,000	1,000	..
Taxes on Income	98,579	1,99,432	1,64,106	1,78,066	1,82,036	1,75,000	76,421	..
Salt	362	213	180	180	200	..	..	362
Opium	14,110	3,304	..	..	..	..	..	14,110
Currency	1,415	1,650	1,311	1,459	1,529	1,000	..	415
Total "Central" Subjects	1,14,466	2,04,599	1,66,070	1,81,155	1,85,494	1,77,000	77,421	14,887
						Net Increase	62,534	
Grand Total	21,52,722	21,92,721	21,86,525	23,62,568	24,41,326	23,43,000	2,85,247	94,969
						Net Increase	1,90,278	

6. It will be seen that "provincial" revenue has risen during the period by 1,28; "central" revenue by 62; and the total by 1,90. The most prominent features are growths of 1,39 under Land Revenue and of 76 under Taxes on Income, and a decrease of 48 in Excise revenue. The latter, which has occurred in spite of the additions mentioned in paragraph 2 (*b*) above, may be ascribed to an appreciable reduction in the provincial consumption of country liquor.

7. The *net* expenditure of the province in the first and last years of the series is compared in the following table; in which revenue is shown *net* after deducting the cost of collection and expenditure after subtracting incidental receipts.

TABLE C.

Revenue Heads *Net.*				Expenditure Heads *Net.*			
Head.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—).	Head.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—).
Land Revenue	6,35	6,67	+32	Irrigation	1,22	4,36	+3,14
Excise	6,28	5,44	—84	General Administration	1,64	1,64	..
Stamps	1,92	1,83	—9	Administration of Justice	15	48	+33
Forest	—9	—12	—3	Jails	68	1,25	+57
Registration	2	4	+2	Police	10,98	11,89	+91
				Scientific Departments	10	11	+1
				Education	1,99	2,96	+9
				Medical	2,92	3,32	+4
				Public Health	14	15	+1
				Agriculture	59	82	+23
				Miscellaneous Departments	3	19	+16
				Civil Works	9,12	26,26	+17,14
				Superannuation Allowances and Pensions	78	72	—6
				Stationery and Printing	2	—3	—5
				Miscellaneous	5,80	2,13	—3,67
Total "Provincial" Subjects	14,48	13,86	—62		36,16	56,25	+20,09
				Excess of Expenditure over Revenue	21,68	42,39	+20,71

Revenue Heads *Net.*

Head.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—).
Customs	..	—12	—12
Taxes on Income	88	1,56	+68
Opium	14	..	—14
Total "Central" Subjects	1,02	1,44	+42
Excess of Expenditure over Revenue	40,57	45,51	+4,94
Gross Total of Province	15,50	15,30	—20
Excess of Expenditure over Revenue	62,25	87,90	+25,65

Expenditure Heads *Net.*

Head.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—).
Territorial and Political Pensions	46	37	—9
Ecclesiastical	34	34	..
Political	15,75	15,99	+24
Frontier Watch and Ward	25,04	30,25	+5,21
	41,59	46,95	+5,36
	77,75	1,03,20	+25,45

8. The provision shown against Civil Works in 1929-30 includes a sum of 9,48 for buildings and communications required in connection with Frontier Watch and Ward. Omitting this from consideration, the excess of "provincial" expenditure over "provincial" revenue anticipated in the budget for that year was as much as 32,49. If the non-recurring provision for the construction of the central jail and of certain irrigation works be left out of account, the excess still remains very nearly as great as the gross "provincial" revenue. Practically the entire *net* revenue is spent upon Police and Jails. It is clear that the province has little hope of becoming, in the near future, self-supporting even in respect of what may be called the ordinary provincial subjects. In order to finance these, it requires an annual subsidy from the rest of India amounting to approximately 20 lakhs of rupees; while the requirements of political relations and of the defence of the frontier entail an additional subvention of over half a crore.

Account No. 3—Delhi.

The following table shows the expenditure of the Delhi Province under each major head of account in each of the six years under review. As in the case of other administrations, the expenditure on subjects which are, in Governors' provinces, central subjects is grouped separately at the end of the table. Expenditure on Interesthas been omitted from the table, as the sums actually disbursed from the Delhi treasury cannot be separated from the balance of the outlay recorded under India General. The omission is of no real importance, since disbursements of this kind have no actual reference to the needs of the Delhi Province.

TABLE A.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land Revenue	40,925	45,408	52,726	56,934	58,015	63,400	22,475	..
Excise	12,057	3,61,536	3,40,721	3,82,767	3,67,636	3,68,400	3,56,343	..
Stamps	7,151	8,314	8,283	7,820	31,885	10,000	2,849	..
Forest	..	..	..	6,713	8,896	10,300	10,300	..
Registration	8,233	7,656	5,729	3,654	3,925	4,200	..	4,033
Irrigation	50,556	30,913	6,273	5,184	1,625	..	..	50,556
General Administration	3,28,426	3,15,006	3,08,980	3,25,941	3,68,363	3,84,800	56,374	..
Administration of Justice	1,70,837	2,13,449	2,37,231	2,40,820	2,50,429	2,54,700	83,863	..
Jails and Convict Settlements	1,47,380	1,24,187	1,28,089	1,26,972	1,40,718	1,39,200	..	8,180
Police	7,87,486	7,99,409	8,38,450	8,88,163	9,49,853	9,84,500	1,97,014	..
Scientific Departments	607	..	..	..	..	..	..	607
Education	5,26,476	5,81,148	6,17,708	8,07,896	9,19,276	9,78,500	4,52,024	..
Medical	3,37,363	5,08,098	5,44,820	5,17,695	5,31,664	5,45,500	2,08,137	..
Public Health	27,396	65,703	1,43,154	2,21,248	1,96,011	2,02,000	1,74,604	..
Agriculture, etc.	13,661	30,892	52,323	47,132	52,054	63,200	49,539	..
Industries	9,628	10,074	11,833	13,613	25,243	28,000	18,372	..
Miscellaneous Departments	169	1,140	2,225	2,990	3,256	3,300	3,131	..
Civil Works	12,82,016	8,99,218	37,05,743	33,52,016	38,85,768	48,86,000	36,03,984	..
Superannuation Allowances and Pensions	2,06,113	4,09,120	3,00,377	3,59,258	3,12,326	3,23,000	1,16,887	..
Stationery and Printing	2,874	3,015	1,127	1,555	1,786	3,100	226	..
Miscellaneous Charges	4,20,201	3,98,169	3,68,505	3,74,230	3,64,058	3,87,200	..	33,001
Total "Provincial" Subjects	43,79,553	48,12,454	76,74,297	77,42,601	84,72,958	96,39,300	53,56,124	96,377
					Net Increase		52,59,747	
Taxes on Income	24,639	42,920	47,205	56,462	65,501	68,000	43,361	..
Ecclesiastical	30,276	26,404	20,856	25,305	18,204	20,800	..	9,476
Political	3,269	163	1,418	7,567	9,281	14,000	10,731	.
Currency	7,983	8,919	9,485	29,843	16,479	35,400	27,417	.
Territorial and Political Pensions	47,500	46,741	50,817	49,476	49,020	51,000	3,500	..
Total "Central" Subjects	1,13,677	1,25,147	1,29,781	1,68,653	1,58,485	1,89,200	85,009	9,476
					Net Increase		75,533	
Grand Total	44,93,220	49,37,601	78,04,078	79,11,254	86,31,443	98,28,500	54,41,133	1,05,853
					Net Increase		53,35,280	

2. The more important variations under individual heads of account are examined below :—

(*a*) *Land Revenue* . . +22

An increase of 18 is the result of the transfer to Government management of certain *nazul* lands in Delhi city which were formerly controlled by the local Municipality. The additional expenditure, together with a compensatory grant made to the Municipality for loss of revenue, is counterbalanced by a growth of receipts under the revenue head Land Revenue and other heads.

(*b*) *Excise* . . . . +3,56

This increase is nominal only, being covered by a corresponding growth of revenue. In pursuance of the accepted policy that the still-head duty on country liquor should accrue to the province in which it is consumed, the province of Delhi now receives as revenue the duty on the liquor which it imports from the United Provinces and the Punjab. In return, it pays to those two provinces compensation calculated upon the revenue from this source which they received in the three years prior to the reforms of 1921. The compensation payable is 2,90 in the case of the Punjab and 22 in that of the United Provinces, or 3,12 in all. Owing to an increase in rates of duty, the amount received by Delhi as revenue exceeds the compensation.

A further sum of 40 under this head represents the cost price of opium purchased from the Ghazipur Factory. This was formerly charged to a remittance head, the *net* profit on sales being alone credited as revenue. As a result of a change of classification, both revenue and expenditure are now charged in gross to the service head Excise. The apparent growth of expenditure is therefore covered by a corresponding increase of revenue.

(*c*) *Forest* . . . . +10

This increase is due to two items. Provision of 8 is made for the afforestation of the Southern Ridge, and of 2 for the training of students at Dehra Dun.

(*d*) *Irrigation* . . . —51

Pensions of officers and establishments of the Irrigation Department, which happened to be disbursed from the Delhi treasury, were formerly debited to this head. They have now been transferred to the head Superannuation Allowances and Pensions. Few, if any, of them were earned by service in the Delhi province.

(*e*) *General Administration* . +56

Of this increase, a sum of 33 represents the pay and allowances of certain executive subordinates, which were formerly met from the New Capital grant outside the revenue accounts. This is a new charge against revenue, due to the development of the new city.

The appointment of an additional Extra Assistant Commissioner and two clerks caused an increase of 9.

The balance of 14 is the *net* result of a number of minor changes ; the principal causes of increase being revisions of pay and allowances and the accrual of increments in the normal course.

(*f*) *Administration of Justice* . +84

The following are the principal factors in the growth of expenditure :—

+ 36 A new contribution to the Punjab Government for services rendered by its High Court.

+ 4 A contribution to the same Government on account of the training of Delhi officers in commercial law.

+ 10 Increase in the allowances paid to the Public Prosecutor.

+ 9 The cost of additional subordinate judges and munsiffs.

+ 24 Increase in travelling allowance, diet, etc., of witnesses in criminal courts owing to the growth of criminal work.

(*g*) *Police* . . . . +1,97

The following are among the chief items which contributed to the increase :—

+ 85 Additions to the police force.

+ 39 Revision of pay and of clothing and equipment grants.

+ 37 Increase in travelling, house-rent and other allowances.

+ 6 Transfer from the head General Administration of the cost of the pay of the translator and stenographer attached to the Criminal Investigation Department.

+ 28 Increase in Railway Police charges. Of this, 12 is a nominal increase; arrear recoveries of this amount having been deducted from the gross expenditure of 1924-25. A further increase of 7 is due to the cessation of recoveries from the East Indian and Great Indian Peninsula Railways when these lines were taken over by the State.

(*h*) *Education* . . . +4,52

The following table shows the expenditure of the first and last years of the series under review on the various classes of education :—

	Actuals, 1924-25.	Budget, 1929-30.	Increase.
University Education .	1,51	2,44	93
Secondary Education .	2,14	3,99	1,85
Primary Education .	1,15	2,25	1,10
Special Education .	8	41	33
Direction and General .	38	69	31
Total .	5,26	9,78	4,52

Of the total increase of 4,52, as much as 2,74 represents expenditure incurred under the five-year programme of educational development, for which the following provision was made in the budget of 1929-30 :—

	Recurring.	Non-recurring.	Total.
University . .	11	20	31
Secondary . .	62	15	77
Primary . . .	1,10	19	1,29
Special	23	..	23
Direction and General	14	..	14
Total .	2,20	54	2,74

The balance of the increase is due to steady development, particularly of University and Secondary education. The expenditure on Special education consists mainly of the cost of training schools. Of the present outlay on Direction and General, 30 represents the cost of inspection; 21 that of scholarships; and a provision of 11 is newly made to provide for medical inspection of school children. This inspection is a feature of the five-year programme.

It is noticeable that the present expenditure on primary education is less than 25 *per cent.* of the total outlay. The area served is, however, largely of an urban nature, and contains an unusually large percentage of well-to-do people who desire higher education for their children.

(*i*) *Medical Services* . . +2,08

Of this increase, a sum of 5 is a nominal increase only. It is due to the credit as revenue of recoveries from the Municipality which were formerly brought to account by deduction from expenditure.

A further sum of 1,35 represents additional grants to the Lady Hardinge Medical College; of which no more than 21 can safely be classed as non-recurring.

The cost of training students in the Medical College at Lahore accounts for 22, and provision for the increased medical needs of the new city for a further 16.

The balance of 30 is the *net* result of a number of minor increases.

(*j*) *Public Health* . . . +1,75

The principal factors in the growth of expenditure are listed below :—

+ 90 Expansion of Public Health establishment. Of this, 77 is a transfer from the New Capital budget, and represents an increase of revenue charges owing to the development of the new city.

+ 70 Increase of grants in aid of local bodies. The principal item was a grant of 50 to the New Delhi Municipality to assist it in meeting the sanitary needs of the new capital.

+ 5 Cost of additional temporary establishment to cope with epidemic diseases.

+ 10 Expenditure on the new Bacteriological Laboratory. Of this, a sum of 7 is recovered from the Joint Water Board and credited as revenue.

(*k*) *Agriculture, etc.* . . +50

There is an increase of 20 under grants to local bodies in aid of arboriculture, and of 14 in the cost of the

Superintendent of Gardens and his staff. The balance is made up of a number of minor items.

(*l*) *Industries* . . . +18

This increase is due to the transfer to Government control of the Innustrial School which was previously conducted as a municipal institution.

(*m*) *Civil Works* . . . +36,04

The following table gives the figures under the various sub-heads in the first and last years of the series :—

——	Actuals, 1924-25.	Budget, 1929-30.	Increase.	Decrease.
Original Works	68	20,87	20,19	..
Repairs . .	8,92	9,40	10,48	..
Establishment .	1,15	6,69	5,54	..
Tools and Plant	21	66	45	..
Grants-in-Aid .	52	3,02	2,50	..
Suspense .	1,34	72	..	62
Deduct—Probable Savings	..	—2,50	..	2,50
Total .	12,82	48,86	39,16	3,12
	Net Increase .		36,04	

(*i*) The growth under Original Works is largely the result of the development of the new Capital. The following were the more important items for which provision was made in the budget of 1929-30 :—

+7,59 Construction of quarters, etc., for Government servants in the new city

+2,48 Heating, decoration, etc., of the new Secretariat.

+ 1,30 Road surface treatment.

+1,88 Construction of a Church in the New Cantonment.

+ 2,59 The first instalment of the cost of a combined hospital for the old and the new cities which is estimated to cost 45 lakhs.

+ 1,35 Construction of Police lines.

(*ii*) The growth under Repairs is, in some measure, the inevitable result of the heavy construction programme of recent years ; but a great part of it is due to the transfer to the revenue budget of the cost of maintenance of a number of works which were previously a charge against Capital.

(*iii*) Establishment has grown with the bulk of work undertaken. The percentage borne by the cost of Establishment to the cost of work done has risen from 12 to 16½ during the period, but is still low in comparison with the similar percentage of all central areas except the North-West Frontier Province.

(*iv*) The increase under Grants-in-Aid is made up principally of grants of 2 lakhs for the improvement of the Delhi city mains and of 1 lakh for slum development.

(*n*) *Superannuation Allowances and Pensions* . . . +1,17

As explained against item (*d*) above, pensions costing 51 have been transferred from the head Irrigation. The bulk of the balance is due to the debit to this head of pensions paid to pensioners of the Posts and Telegraphs Department, which is fully explained in the memorandum (in Part II) on Superannuation Allowances and Pensions. It is offset by increased credits which are not taken in the accounts of the province of Delhi.

(*o*) *Miscellaneous* . . . —33

The reduction occurred under Grants-in-Aid. Grants of 18 and 10 were transferred to the heads Agriculture and Civil Works, respectively, and the cessation of a non-recurring grant of 50 made to the Municipality in 1924-25 was partially set off by a new recurring grant of 40 in compensation for the revenue of *nazul* lands resumed by Government. The latter grant is covered by an increase of receipts under Land Revenue and elsewhere.

(*p*) *Taxes on Income* . . +43

The increase is due to the re-organisation of the Income-tax staff. A Salary Circle was established in Delhi from the 1st April 1925. During the period under review, the revenue from Taxes on Income has risen by 1,43.

(*q*) *Political* . . . . +11

This expenditure consists mainly of the cost of training probationers and has no real connection with the administration of the province.

(*r*) *Currency* . . . . +27

The charges are connected with the cost of remittance of treasure and have little relation to provincial administration.

3. In taking a general view of the financial position of Delhi, it is necessary to bear in mind two important facts.

In the first place, the so-called province consists almost entirely of the old city of Delhi and the growing new city which forms the present winter capital of the Government of India. The circle of agricultural land by which these cities are surrounded is so limited in extent as to become relatively insignificant. As a result, the principal sources of provincial revenue are almost entirely urban in character; the chief contributors being Excise, Stamps, Revenue from Town Lands and Taxes on Income; while there are considerable receipts in the shape of rents and the like to set off against the expenditure on Civil Works. The second factor to be borne in mind is the cost of developing the new capital and equipping it, on an adequate scale, with all the ordinary services rendered by governments in India. Incidentally, its proximity to the historic city of Delhi is apt to entail the raising of the standard of administration of the corresponding services in the latter city also; including the subsidisation of municipal services to enable the Municipality to meet the cost of improvements which are represented as being beyond its means.

4. In summarising the reasons for the growth of "provincial" expenditure during the period under review, it may be stated that, of the gross increase of 52,60, approximately 3,56 under Excise and 1,17 under Pensions may be taken as purely nominal. The demands of General Administration and of Law and Order account for a further 3,37. The physical needs of the new capital, in the shape of buildings and communications, have absorbed as much as 36,04. The balance of approximately 8½ lakhs has gone, in the main, to the development of what are commonly known as the nation-building services in connection with the equipment of Delhi as the winter capital. The growth of "central" expenditure calls for no remark.

5. The following table shows the revenue of the province under each major head of account in each year of the period under review. Here also "provincial" have been separated from "central" subjects.

TABLE B.

—	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land Revenue	3,41,397	3,94,709	4,15,152	4,33,660	3,49,452	3,08,700	..	32,697
Excise	3,87,541	6,12,049	8,59,172	8,97,109	9,46,400	7,60,800	3,73,259	..
Stamps	7,17,642	7,72,181	8,23,605	7,25,490	7,18,692	7,59,300	41,658	..
Registration	48,232	49,527	43,757	43,901	49,046	44,400	..	3,832
Irrigation	3,169	3,740	2,587	2,214	568	2,200	..	969
Administration of Justice	28,462	23,864	51,841	45,506	50,713	45,600	17,138	..
Jails and Convict Settlements	22,210	27,660	21,727	28,368	16,255	19,000	..	3,210
Police	18,896	20,616	5,744	23,245	28,302	22,900	4,004	..
Education	13,816	18,903	45,736	48,362	49,550	43,700	29,884	..
Medical	10,689	11,005	7,846	6,625	19,360	13,400	2,711	..
Public Health	..	500	51	154	11,996	7,500	7,500	..
Agriculture	..	45	6	82	5,044	4,800	4,800	..
Industries	2,225	..	..	527	8,857	5,100	2,875	..
Miscellaneous Departments	5,712	9,749	11,601	9,604	11,935	9,600	3,888	..
Civil Works	4,38,155	2,90,474	6,82,954	6,64,732	8,24,862	9,56,000	5,17,845	..
Superannuation Allowances and Pensions	20,979	39,083	29,695	36,566	39,100	38,000	17,021	..
Stationery and Printing	2,621	1,609	1,774	3,493	2,815	2,300	..	321
Miscellaneous	2,10,233	3,16,158	1,96,676	1,01,788	2,13,185	2,63,800	53,567	..
Total "Provincial" Subjects	22,71,979	25,91,882	31,99,924	30,71,426	33,46,132	33,07,100	10,76,150	41,029
					Net Increase		10,35,121	
Currency	47	59	54	355	..	..	..	47
Customs	1,92,160	1,54,704	—9,276	..	..	..	..	1,92,160
Taxes on Income	9,55,720	11,44,437	11,20,091	11,56,666	10,40,268	10,99,000	1,43,280	..
Opium	37,170	10,612	..	..	..	..	..	37,170
Total "Central" Subjects	11,85,097	13,09,812	11,10,869	11,57,021	10,40,268	10,99,000	1,43,280	2,29,377
					Net Decrease			86,097
Grand Total	34,57,076	39,01,694	43,10,793	42,28,447	43,86,400	44,06,100	12,19,430	2,70,406
					Net Increase		9,49,024	

6. The gross increase of 10,35 under "provincial" subjects is due to the following principal factors :—

+ 3,73 under Excise.

As explained above, the bulk of this is purely nominal, being due to a change of classification.

+ 42 under Stamps.

This is a natural result of the development of the new city.

+ 5,18 under Civil Works.

This comparatively small offset against the heavy growth of charges under the corresponding expenditure head represents the growth of rents and the like on the transfer, for maintenance from revenue, of works constructed at the cost of capital.

+ 54 under Miscellaneous.

This is due to increased premium on plots of land sold.

Under "Central" subjects, there is a fall of 1,92 under Customs, due to the abolition of the cotton excise duties, and of 37 under Opium, which is due to a transfer to the head Excise, partially offset by a rise of 1,43 under Taxes on Income The increase under the latter head synchronised, it will be noticed, with the institution of the Salary Circle.

7. The revenue and expenditure of the province are brought together in Table C, in which the figures of revenue are shown *net*, after deducting cost of collection, and those of expenditure after subtracting incidental receipts. It will be seen that the anticipated expenditure of 1929-30 exceeded the estimated revenue by as much as 54,21 and that the deficit grew by 43,86 during the six years under review. A great part of the deficit is, of course, due to heavy outlay, of a capital nature, upon Civil Works, and a really material reduction under this head cannot be expected until the new combined hospital is completed. For the rest, the heavy demands made by the province of Delhi upon the Indian tax-payer generally are probably the inevitable result of the considerations set out in paragraph 3 above.

TABLE C.

Revenue Heads *Net*

Heads.	Actuals 1924-25.	Budget, 1929-30	Increase (+) or Decrease(—).
Land Revenue	3,00	2,46	—54
Excise	3,76	3,93	+17
Stamps	7,11	7,49	+38
Forest	..	—10	—10
Registration	40	40	..
Total "Provincial" Subjects	14,27	14,18	—9

Expenditure Heads *Net*.

Heads.	Actuals 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—).
Irrigation	48	—2	—50
General Administration	3,28	3,85	+57
Administration of Justice	1,43	2,09	+66
Jails	1,25	1,20	—5
Police	7,68	9,62	+1,94
Scientific Departments	1	..	—1
Education	5,12	9,35	+4,23
Medical	3,26	5,33	+2,07
Public Health	27	1,94	+1,67
Agriculture	14	58	+44
Industries	8	23	+15
Miscellaneous Departments	—6	—7	—1
Civil Works	8,44	39,30	+30,86
Superannuation Allowances and Pensions	1,85	2,85	+1,00
Stationery and Printing	..	1	+1
Miscellaneous	2,10	1,23	—87
	35,33	77,49	+42,16
Excess of Expenditure over Revenue	*21,06*	*63,31*	*+42,25*

Revenue Heads *Net*.

Heads.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—)
Customs	1,92	..	+1,92
Taxes on Income	9,31	10,31	+1,00
Opium	37	..	—37
Currency	—8	—35	—27
Total "Central" Subjects.	11,52	9,96	—1,56
Excess of Revenue over Expenditure	*10,71*	*9,10*	*—1,61*
Gross Total of Province	25,79	24,14	—1,65
Excess of Expenditure over Revenue	*10,35*	*54,21*	*+43,86*

Expenditure Heads *Net*.

Heads.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—)
Territorial and Political Pensions	48	51	+3
Ecclesiastical	30	21	—9
Political	3	14	+11
	81	86	+5
	36,14	78,35	42,16

No. 4.—Ajmer-Merwara

The area covered by this grant is a true minor administration, consisting of two districts divided, for administrative purposes, into three tahsils.

2. The following table shows the rupee expenditure of the administration under each major head of account in each of the six years under review. As in the case of other minor local Governments, it is impossible to separate the sterling expenditure of the administration from other sterling outlay of the Government of India. In this case also, the heads of account which would, in a Governor's province, constitute a charge upon the Central Government have been shown in a separate group at the end of the table. It should be mentioned that figures under the two Interest heads, which are not readily separable from those of the Central Government as a whole, have been omitted from the table. The administration has no real concern with this class of expenditure. The interest payable on the capital invested in its irrigation projects is, however, included in the table under the head Irrigation.

TABLE A.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land Revenue	1,16,723	1,22,048	1,30,130	1,22,797	1,30,640	1,28,400	11,677	..
Excise	29,272	35,202	37,907	36,837	36,831	38,800	9,528	..
Stamps	6,006	6,940	7,307	5,962	17,757	8,800	2,794	..
Forests	49,124	55,161	79,728	82,855	76,352	78,800	29,676	..
Irrigation	1,98,107	1,86,019	1,90,967	1,94,459	1,86,853	2,22,400	24,293	..
Registration	1,903	2,168	2,592	2,631	2,462	2,700	797	..
General Administration	1,31,863	1,41,529	1,56,684	1,59,576	1,46,053	1,60,200	28,337	..
Administration of Justice	99,909	1,02,606	1,10,654	1,12,332	1,14,803	1,21,200	21,291	..
Jails and Convict Settlements	55,849	54,649	55,489	59,673	51,926	63,000	7,151	..
Police	3,57,400	3,89,728	3,76,388	3,71,145	3,66,975	3,71,200	13,800	..
Scientific Departments	2,972	3,779	3,866	3,769	3,939	4,000	1,028	..
Education	2,31,820	2,47,792	2,63,797	3,35,523	3,65,892	4,30,800	1,98,980	..
Medical	72,099	1,30,872	1,28,807	90,781	94,014	99,700	27,601	..
Public Health	2,239	3,715	3,620	3,838	4,013	4,500	2,261	..
Agriculture, etc.	26,264	27,960	28,977	44,573	43,450	44,300	18,036	..
Miscellaneous Departments	805	4,636	5,650	4,809	6,570	4,900	4,095	..
Civil Works	3,59,600	3,78,615	4,48,384	5,87,153	7,29,039	8,04,600	4,45,000	..
Famine Relief	..	9,452	90,200	..	..	..	..	..
Superannuation Allowances and Pensions	1,39,459	1,92,874	1,71,900	1,77,858	1,75,422	1,97,500	58,041	..
Stationery and Printing	3,458	2,949	4,748	427	181	2,300	..	1,158
Miscellaneous charges	24,866	17,644	16,572	16,619	16,580	16,800	..	8,066
Total "Provincial" Subjects	19,09,738	21,16,338	23,14,366	24,13,617	25,69,752	28,04,900	9,04,386	9,224
					Net Increase		8,95,162	
Taxes on Income	7,485	8,642	8,846	9,493	9,854	10,500	3,015	..
Ecclesiastical	22,506	18,926	21,662	13,464	18,053	18,900	..	3,606
Currency	25,896	34,823	59,423	40,529	37,573	35,000	9,104	..
Territorial and Political Pensions	438	442	392	300	123	400	..	38
Total "Central" Subjects	56,325	62,833	90,323	63,786	65,603	64,800	12,119	3,644
					Net Increase		8,475	
Grand Total	19,66,063	21,79,271	24,04,689	24,77,403	26,35,355	28,69,700	9,16,505	12,868
					Net Increase		9,03,637	

3. It will be seen that the expenditure on what may be called "provincial" subjects has grown by 8,95 during the six years' period, while the total expenditure has increased by 9,04. The principal variations under individual major heads of account are examined below.

(*a*) *Land Revenue* . . . +12

There were three main factors in this increase :—

(i) The revival of a post of extra Naib Tahsildar.

(ii) An increase in the pay of inferior servants.

(iii) The accrual of normal increments.

(*b*) *Excise* . . . . +10

The growth may be put down to minor increases of establishment, greater outlay on travelling allowances and the accrual of increments.

(*c*) *Forests*. . . . . +30

A sum of 17 out of the increase is ascribed to the extended exploitation of forests for charcoal, and is responsible for some portion of the increase of receipts under the corresponding revenue head. The balance of the growth of expenditure is due to the causes detailed against the head Excise.

(*d*) *Irrigation*. . . . +24

The budget provision of 1929-30 would appear to have been pitched unduly high. The revised estimates anticipated a saving of 31, which is greater than the increase during the period under review.

(*e*) *General Administration*. . +28

The principal factors in the growth are :—

(i) The revision of pay of establishments and increments .	+15
(ii) The cost of Lee Concessions .	+4
(iii) The revision of pay of an Extra Assistant Commissioner	+1

(*f*) *Administration of Justice*. . +21

A provision of 9 in the budget of 1929-30 to cover the cost of certain establishment of the Judicial Commissioner in the Western India States, who serves Ajmer-Merwara also, is counterbalanced by an equivalent saving due to the abolition of a temporary post of Special Magistrate which was in existence in 1924-25. The true increase of 21 is due to minor revisions of establishment and the accrual of increments.

(*g*) *Jails and Convict Settlements* . +7

Of this increase, a sum of 5 is put down to the increased cost of feeding and clothing prisoners.

(*h*) *Police* . . . . . +14

This growth is the result of a number of minor developments, none of which is of sufficient importance to call for separate mention.

(*i*) *Education*. . . . +1,99

An increase of 99 recurring and 41 non-recurring is due to the introduction of the five-year programme of educational development. Of this sum of 1,40, University Education absorbs 21 : Secondary Education 55 : Primary Education 48 : and the balance goes to Special Schools and general charges.

The following table shows the distribution under the principal sub-heads of the total charges of the first and last years of the period under review :—

	1924-25.	1929-30
University . .	52	86
Secondary . .	1,09	1 94
Primary . .	41	90
Special . .	12	22
General charges .	18	39

The comparatively small amount spent on primary education is a striking feature of the table.

(*j*) *Medical Services*. . . . +28

The appointment of an Additional Civil Surgeon cost 9, and there are new payments of 4 to the Punjab Government for the treatment of mental patients at Lahore. The balance is due to minor increases of staff and revisions of pay and to the accrual of increments.

(*k*) *Agriculture, etc.* . . . +18

There has been an increase of 3 in the grant made to a District Board for arboriculture. The balance is due to the expansion of the Co-operative Department.

(*l*) *Miscellaneous Departments*. . +4

The growth is due to the development of factory inspection.

(*m*) *Civil Works*. +4,45

The increase occurred largely under Original Works, while there was a consequent increase of about a lakh under Establishments. The principal works in progress in 1929-30 were lines and hospital buildings for the Police and certain buildings connected with the five-yea

ducational programme. The bulk of the growth represents non-recurring expenditure.

(*n*) *Superannuation Allowances and Pensions.* . . +58

This increase is largely nominal, being due to the debit to this head of Posts and Telegraph pensions which are off-set by a deduction from expenditure in the books of the Central Government proper.

(*o*) *Miscellaneous Charges.* . —8

The decrease is the result of a decline of expenditure on departmental maintenance of buildings.

(*p*) *Currency.* . . . +9

The growth is due to enhanced charges for remittance of treasure.

4. Of the total increase of 8,95 of expenditure on "provincial" subjects, as much as 4,45 is spent upon Civil Works and is largely non-recurrent. A further sum of 1,40 is the result of the five-year educational programme, and includes 41 which will not recur; while there is a purely nominal growth of 58 in pensionary outlay. Of the balance of approximately 2½ lakhs, 59 represents the development of education outside the five-year programme, and the residue is the result of minor increases all round, which are largely due to petty expansions of staff and revisions of pay and to the accrual of normal increments.

5. The revenue of the administration under the various major heads is set out in the following table:—

TABLE B.

	Actuals 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land Revenue	2,77,855	2,66,976	2,31,708	2,99,744	3,14,980	2,89,100	11,245	..
Excise	7,09,252	7,14,056	6,88,316	7,07,879	7,44,496	7,33,900	24,648	..
Stamps	2,62,674	2,58,016	2,70,638	2,98,114	3,03,806	2,99,600	36,926	..
Forest	66,062	72,759	66,935	76,515	87,924	90,700	24,638	..
Registration	11,943	11,530	12,340	12,635	13,337	12,700	757	..
Irrigation	85,909	1,08,382	83,033	1,37,248	1,46,917	1,05,700	19,791	..
Interest	39,816	45,798	35,979	34,405	54,975	46,800	6,984	..
Administration of Justice	53,967	30,121	24,188	22,115	22,346	21,800	..	32,167
Jails and Convict Settlements	11,698	12,013	10,027	16,315	15,184	18,000	6,302	..
Police	4,245	5,207	5,591	8,514	7,721	3,800	..	445
Education	35,370	35,657	39,487	34,088	36,969	35,500	130	..
Medical	947	956	321	621	1,104	700	..	247
Agriculture	..	..	..	..	3	..	..	..
Miscellaneous Departments	2,360	285	20	50	2,553	3,000	640	..
Civil Works	14,977	7,294	34,904	22,452	20,416	17,000	2,023	..
Receipts in aid of Superannuation	2,788	1,724	3,817	33,323	—971	6,000	3,212	..
Stationery and Printing	222	237	357	186	334	5,800	5,578	..
Miscellaneous	1,554	—3,362	9,575	—29,487	3,039	400	..	1,154
Total "Provincial" Subjects	15,81,639	15,67,649	15,07,236	16,74,717	17,75,133	16,90,500	1,42,874	34,013
					Net Increase		1,08,861	
Customs	91,849	89,633	33	..	..	..	..	91,849
Taxes on Income	2,62,250	2,45,306	2,00,621	2,72,605	3,06,725	2,40,000	..	22,250
Currency	157	1,134	1,006	264	199	500	343	..
Total "Central" Subjects	3,54,256	3,36,073	2,01,660	2,72,869	3,06,924	2,40,500	343	1,14,099
						Net Decrease	-	1,13,756
Grand Total	19,35,895	19,03,722	17,08,896	19,47,586	20,82,057	19,31,000	1,43,217	1,48,112
						Net Decrease		4,895

6. A few comments only on the revenue table appear to be necessary. The revenue from Interest might reasonably have been omitted from it, as it represents interest on funds provided by the Central Government proper. The cessation of Customs revenue is due to the abolition of the cotton excise duties. The fall under Taxes on Income is, as appears from the revised estimates of 1929-30, the result of an under-estimate.

7. The following table brings together the revenue and expenditure of the administration in the first and last years of the period under review. As usual, the revenue is shown *minus* the cost of collection and the expenditure after the deduction of incidental receipts. For the reason indicated in paragraph 6, the revenue from Interest has been omitted.

TABLE C.

Heads.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease(—)	Heads.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—).
Land Revenue . .	1,61	1,61	..	Irrigation . . .	1,12	1,17	+5
Excise	6,80	6,95	+15	General Administration .	1,32	1,60	+28
Stamps	2,57	2,91	+34	Administration of Justice	46	99	+5
Forest	17	12	—5	Jails	44	45	+1
Registration . . .	10	10	..	Police . . .	3,53	3,67	+14
				Scientific Departments	3	4	+13
				Education . . .	1,97	3,95	+1,98
				Medical . . .	71	99	+28
				Public Health . .	2	5	+3
				Agriculture . . .	26	44	+18
				Miscellaneous Departments	—1	2	+3
				Civil Works . .	3,45	7,88	+4,43
				Superannuation Allowances and Pensions .	1,36	1,92	+56
				Stationery and Printing	3	—4	—7
				Miscellaneous . .	23	16	—7
Total "Provincial" Subjects	11,25	11,69	+44		14,92	23,29	+8,37
		Excess of Expenditure over Revenue .			*3,67*	*11,60*	*+7,93*
Customs	92	..	—92				
Taxes on Income . .	2,55	2,29	—26	Ecclesiastical	23	19	—4
Currency . . .	—26	—34	—8				
Total "Central" Subjects .	3,21	1,95	—1,26		23	19	—4
		Excess of Revenue over Expenditure . .			*2,98*	*1,76*	*—1,22*
Gross Total of Province .	14,46	13,64	—82		15,15	23,48	+8,33
		Excess of Expenditure over Revenue .			*69*	*9,84*	*+9,15*

8. It will be seen that the estimated "provincial" expenditure of 1929-30 exceeded the anticipated revenue by 11,60, and that the deficit grew by 7,93 in the course of the six years' period. Approximately 5 lakhs of the expenditure may be put down as temporary and non-recurrent, and possibly another 50 to pensions with which the administration is not really concerned; thus leaving the true deficit in the neighbourhood of 6 lakhs. If "central" subjects are taken into account, the true revenue from Taxes on Income, set off by small outlay on Currency and Ecclesiastical, will operate to reduce the deficit by another 2 lakhs. It follows that the rest of India gives an annual subsidy of about 4 lakhs to Ajmer-Merwara.

No. 5.—Andaman and Nicobar Islands.

The following table shows the rupee expenditure of this Administration in each of the six years under review. Its sterling expenditure, as a whole, is inseparable from that of the Government of India generally and is therefore omitted from the statement. There is no expenditure of a nature which would, in a Governor's province, be financed from central revenues.

TABLE A.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stamps	249	275	263	262	422	400	151	.
Forests	11,53,690	11,34,375	12,20,095	14,49,783	13,28,929	17,11,000	5,57,310	..
Convict Settlement Charges	27,12,973	26,08,566	26,69,415	23,77,574	23,86,827	29,61,600	2,48,627	..
Civil Works	2,62,092	1,34,737	1,35,081	1,56,897	1,48,632	2,10,000	..	52,092
Superannuation Allowances and Pensions	5,638	8,744	5,805	6,607	6,744	8,300	2,662	..
Miscellaneous	..	4,936	4,759	4,723	9,174	10,000	10,000	..
Total	41,34,642	38,91,633	40,31,418	39,95,846	38,80,728	49,01,300	8,18,750	52,092
						Net Increase	7,66,658	

2. The table shows an increase of expenditure, during the six years' period, by 7,67, the whole of the growth having occurred in the last year of the series. The more important variations under individual major heads are discussed below.

(*a*) *Forests.* . . . +5,57

The following table shows, in thousands of rupees, the expenditure under the principal sub-heads in the first and last years of the series :—

	1924-25.	1929-30.
(1) Conservancy and Works	10,12	12,37
(2) Establishments	1,41	1,53
(3) Capital charges met from revenue	..	3,13

The expenditure on sub-head (3) is really no more than a transfer from sub-head (1). The entire increase is due to the increased exploitation of the forests of the islands and is more than counterbalanced by an expansion of revenue. The principal items under sub-head (1) are increases of approximately 1,20 in freight of timber exported and 64 in payments to sale agents; together with a growth of 49 in the cost of feeding elephants. The non-recurring increase under sub-head (3) is due to the purchase of a steam lighter, a barge, a launch and machinery for use in the forests.

(*b*) *Convict Settlement Charges* . +2,49

The expenditure under this head has been analysed in detail in the memorandum on Jails and Convict Settlements printed in Part II of this report, and it is unnecessary to repeat the analysis here. There has been a true increase of 6,08. Of this amount, 5,62 represents non-recurring and 46 recurring expenditure; both classes being mainly due to the development of the islands as a free settlement.

(*c*) *Civil Works.* . . . —52

The account of 1924-25 included an adjustment of 1,12 to correct a previous credit on account of the value of surplus stores. There is thus a true increase of 60; of which 11 is due to the employment of an Executive Engineer in addition to an Assistant Engineer; 17 to expansion of staff and revision of pay; and the balance to growth of work generally.

(*d*) *Miscellaneous.* . . . +10

The provision in the budget of 1929-30 is intended to meet the write-off of irrecoverable *takavi* loans.

3. In summarising the progress of expenditure in this administration, it may be said that there has been a true growth of approximately 12,35; of which 8,75 represents non-recurring items. Of the balance of 3,60, as much as 2,37 under Forests is more than covered by growth of forest revenue; and the residue of 1,23 is the result of the policy of developing the islands as a free settlement.

4. In order to compare the expenditure of the administration with its revenue, the following table has been prepared showing the revenue received under the various major heads in each year of the series. The two Interest heads have, as usual, been ignored, and the single "central" source of revenue appearing in the statement is the comparatively small return from Taxes on Income.

TABLE B.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.
Taxes on Income	13,707	13,108	13,378	13,984	14,490	12,600	..	1,107
Land Revenue	39,438	47,072	36,348	48,611	65,866	49,700	10,262	..
Excise	4,049	7,250	6,547	10,478	16,710	13,000	8,951	..
Stamps	4,707	5,498	5,036	5,132	6,246	6, 600	1,893	..
Forest	7,25,597	8,91,032	11,70,863	14,18,062	15,00,705	17,99,000	10,73,403	..
Jails and Convict Settlements	5,33,430	4,30,778	1,88,926	2,27,258	1,85,600	1,77,700	..	3,55,730
Civil Works	..	5,048	7,362	10,740	19,286	6,000	6,000	..
Total	13,20,928	13,99,786	14,28,460	17,34,265	18,08,903	20,64,600	11,00,509	3,56,837
						Net Increase	7,43,672	

5. It will be seen that the gross increase of revenue during the period has been 7,44, against an increase of expenditure by 7,67. As already shown, however, a great proportion of the latter is due to non-recurring items. Practically the whole of the revenue is derived from the forests, the entry under Jails and Convict Settlements containing little besides the adjustment of recoveries from other departments on account of hire of convicts and sale of stores. Prior to 1926-27 the recoveries from the Forest Department on account of the services of the station ships were credited as revenue under this head; but these are now brought to account by deduction from expenditure.

6. The usual statement comparing the *net* revenue and *net* expenditure of the administration is appended.

TABLE C.

Head.	Revenue Heads *Net.* Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—).	Head.	Expenditure Heads *Net.* Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease(—).
Taxes on Income	14	13	—1	Jails and Convict Settlements	21,80	27,84	+ 6,04
Land Revenue	40	50	+ 10	Civil Works	2,62	2,04	—58
Excise	4	13	+ 9	Superannuation Allowances and Pensions	6	8	+2
Stamps	5	6	+1	Miscellaneous	..	10	+ 10
Forest	—4,28	88	+5,16				
Total	—3,65	1,70	+5,35		24,48	30,06	+5,58
	Excess of Expenditure over Revenue				*28,13*	*28,36*	*+23*

7. The striking feature of the table is the very great excess of expenditure over revenue; a budgeted outlay of 49,01 being financed, in 1929-30, to the extent of no more than 20,65 from revenue locally realised. This is, of course, the inevitable result of the past history of the islands, which were, until recently, maintained purely as a penal settlement. There are, however, better prospects in the future. As already indicated, the budget for 1929-30 contained provision for a number of non-recurrent items; the revenue from forests is steadily expanding; and, as the free settlement develops, there should be hopes of an increase of revenue from other sources.

No. 6.—Assigned Tract of Bangalore.

On the rendition of Mysore in 1881, the tract known as the Civil and Military Station of Bangalore was assigned by the Maharaja of Mysore free of charge to Government for exclusive management and in full jurisdiction. In the year 1924-25, an arrangement was reached for the determination and disposal of the surplus revenue of this Assigned Tract. Under this arrangement, the sum of 13 lakhs is taken as a "datum line" representing the normal annual expenditure of the Tract. If revenue in excess of this sum is received in any year, the surplus is divided between the Tract and the Darbar in the proportion of one-fourth to the Tract and three-fourths to Mysore. The "datum line" of 13 lakhs is open to reconsideration on the expiry of a term of ten years commencing from 1924-25.

2. To ensure the due fulfilment of the arrangement, regular *pro formâ* accounts of the revenue and expenditure of the Tract are maintained. These accounts differ in certain respects from the accounts of financial transactions in Bangalore which appear in the general books of Government and are reproduced in the book of Demands for Grants. For example, the *pro formâ* accounts—

(*i*) omit certain counterbalancing items of revenue and expenditure;

(*ii*) take into consideration certain sterling payments which are not recorded in the Bangalore books;

(*iii*) include certain payments on account of the maintenance of Bangalore prisoners in Madras jails and the Andamans, which are similarly unrecorded;

(*iv*) allow for certain payments on account of stationery and printing supplied which are not debited to Bangalore in the general books; and

(*v*) include, in respect of pensions, a contribution calculated to represent the amount of the pension liability incurred in the year concerned in respect of individuals still in service, and not the amount of pensions actually disbursed to retired Government servants.

3. In all the circumstances, it appears to be more profitable to discuss the figures in the *pro formâ* accounts rather than those of the general books. This will make it possible to ascertain the exact results of the working of the 1924-25 arrangement. The following table has accordingly been prepared, incorporating the figures given in the *pro formâ* accounts in each of the six years under review; these years being actually the first six years of the working of the present arrangement.

TABLE A.

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Budget, 1929-30.	Increase	Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Taxes on Income	8,941	6,965	6,264	6.557	11,299	12,100	3,159	..
Land Revenue	..	..	274	274	274	300	300	..
Excise	29,240	32,069	25,747	34,136	23,970	24,800	..	4,440
Stamps	2,197	2,511	2,187	2,281	2,235	2,400	203	..
Registration	3,418	3,507	3,689	3,037	3,270	3,500	82	..
General Administration	30,562	34,271	7,351	47,669	47,831	77,300	46,738	..
Audit	3,860	3,860	3,860	3,860	3,860	3,900	40	..
Administration of Justice	1,04,665	1,02,953	1,03,014	60,219	60,080	60,900	..	43,765
Jails and Convict Settlements	18,376	12,809	13,143	12,213	10,168	14,300	..	4,076
Police	2,85,916	2,44,581	2,57,681	2,58,202	2,69,186	2,68,500	..	17,416
Political	2,400	1,729	1,755	1,819	3,066	24,000	21,600	..
Education	3,20,392	3,34,310	3,16,957	3,15,611	3,19,742	3,20,600	208	..
Medical	2,41,970	2,16,373	2,40,135	2,86,233	3,29,265	3,29,300	87,330	..
Public Health	4,06,448	2,08,359	1,61,932	53,443	50,900	1,10,900	..	2,95,548
Agriculture	4,000	4,000	4,000	6,844	12,475	17,500	13,500	..
Miscellaneous Departments	1,150	715	2,397	1,445	1,700	1,800	650	..
Stationery and Printing	6,950	6,889	8,493	8,163	8,940	7,100	150	..
Miscellaneous	12,705	12,798	12,627	12,214	12,181	12,400	..	305
Pension Contributions	79,654	76,491	75,381	75,707	77,237	77,000	..	2,654
Commuted value of Pensions	..	..	..	1,348	1,348	1,400	1,400	..
Cost of Reserve of Officers	10,828	10,395	10,141	6,201	6,728	5,700	..	5,128
Civil Works	3,167	..	..	..	..	..	..	3,167
Share of cost of Residency establishment	73,875	79,241	91,012	1,00,014	93,682	98,957	25,082	
Total	16,50,714	13,94,826	13,48,040	12,97,490	13,49,437	14,74,657	2,00,442	3,76,499
					Net Decrease			1,76,057
Payment to Mysore Darbar	..	4,42,026	3,16,561	2,00,329	1,80,990	2,46,055	2,46,055	..
Grand Total	16,50,714	18,36,852	16,64,601	14,97,819	15,30,427	17,20,712	79,998	..

4. The more important variations under individual major heads are examined below.

(*a*) *Excise* . . . . . —4

The decrease is due to the replacement of a post of Assistant Commissioner by one of Inspector.

(*b*) *General Administration.* . +47

Of this increase, a sum of 33 is due to the transfer from the head Administration of Justice of the pay, allowances, etc., of the Collector and his establishment; and the balance represents an increase in non-recurring expenditure on Works.

(*c*) *Administration of Justice* : —44

A fall of 33 is due to the transfer described in sub-paragraph (*b*) above, and a decrease of 8 to the abolition of the Second Magistrate's Court.

(*d*) *Police* . . . . . —17

The accounts of 1924-25 included an unusual contingent charge of 20, being the cost of a fire-engine. Leaving this out of account, there has been a small growth of expenditure.

(*e*) *Political* . . . . . +22

The increase is due to a non-recurring charge connected with the construction of a new court and office buildings for the Resident.

(*f*) *Medical Services.* . . . . +87

Of this growth, a sum of 48 represents non-recurring provision for Works; about 12 is due to the transfer of certain recurring charges from the head Public Health; and the balance is the result, in the main, of additions to medical establishment.

(*g*) *Public Health* . . . . —2,96

The fall is mainly due to a decline in the amount of grants-in-aid; a special grant of 3,18 having been given in 1924-25 to a scheme for housing the poorer classes of the Station. There was also, as indicated in sub-paragraph (*f*) above, a transfer of 12 to the head Medical Services.

(*h*) *Agriculture* . . . . +13

The increase is due to the assumption from the Municipality of responsibility for the maintenance of a Veterinary Hospital.

(*i*) *Cost of Reserve of Officers* . —5

This cost is, in the general accounts of Government, distributed over the major heads concerned.

(*j*) *Share of cost of Residency Establishments* . . . . +25

A sum of 4 is the result of an increase in the rate of pensionary contribution in respect of military officers. The balance is due to minor expansions all round.

(*k*) *Payment to the Mysore Darbar* +2,46

This payment represents three-fourths of the revenue in excess of 13 lakhs, to which reference is made in the opening paragraph of this memorandum. It is necessarily made after the close of the year concerned; and hence, though the new agreement was concluded with effect from 1924-25, no disbursement was actually made in that year. The payments made in 1925-26 included an *ex gratiâ* payment in respect of other profits which had accrued in earlier years. The increase under this item may fairly be described as nominal only.

5. In summarising the progress of expenditure during the six years' period, it may be said that there has been a true decrease of 1,64. This is mainly due to a decline under grants in aid of schemes of public health, set off by increased expenditure under General Administration, Medical Services and Political, which is largely non-recurrent, and by a growth in the cost of the Residency establishment

6. The following table shows the revenue of the Assigned Tract in each of the six years under review.

TABLE B.

	Actuals. 1924-25, Rs.	Actuals. 1925-26, Rs.	Actuals. 1926-27, Rs.	Actuals. 1927-28, Rs.	Actuals. 1928-29, Rs.	Budget. 1929-30, Rs.	Increase. Rs.	Decrease. Rs.
Taxes on Income	2,25,817	2,01,772	2,92,627	2,76,000	3,18,524	2,63,700	37,883	..
Land Revenue	—3,099	1,249	—125	1,839	—677	2,400	5,499	..
Excise	14,47,738	12,90,640	10,81,212	10,49,152	11,10,336	11,64,700	..	2,83,038
Stamps	1,56,003	1,80,051	1,44,824	1,60,966	1,57,858	1,60,300	4,297	..
Registration	12,571	12,374	10,994	13,459	12,138	13,400	829	..
Interest	1,460	1,282	..	..	..	..	..	1,460
Administration of Justice	7,517	3,646	5,306	8,129	4,529	4,800	..	2,717
Police	17,828	3,852	2,023	4,043	2,145	7,200	..	10,623
Education	1,813	2,795	2,119	1,990	2,246	2,200	387	..
Medical	19,158	20,596	17,210	17,166	11,135	17,700	..	1,458
Public Health	218	133	86	..	..	..	..	218
Agriculture	..	..	..	4,238	4,586	4,600	4,600	..
Miscellaneous Departments	96	217	1,488	883	567	700	604	..
Stationery and Printing	914	497	..	..	..	..	..	914
Miscellaneous	1,333	2,977	9,342	3,455	4,686	5,200	3,867	..
Total	18,89,367	17,19,610	15,67,106	15,41,320	16,28,073	16,46,900	57,966	3,00,433
Net Decrease								2,42,467

7. The principal feature of the table is the decline of Excise revenue by 2,83 during the period. This is due to a decline in the consumption of country liquor; which fell from 74 to 64 thousand gallons during the period.

8. The following table brings together the revenue and expenditure of the Assigned Tract in the first and last years of the series. The figures are in thousands of rupees, and are shown *net* as usual.

TABLE C.

Revenue Heads *Net.*				Expenditure Heads *Net.*			
Head.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—).	Head.	Actuals, 1924-25.	Budget, 1929-30.	Increase (+) or Decrease (—).
Taxes on Income	2,17	2,52	+35	General Administration	30	77	+47
Land Revenue	—3	2	+5	Audit	4	4	
Excise	14,18	11,40	—2,78	Administration of Justice	97	56	—41
Stamps	1,54	1,58	+4	Jails and Convict Settlements	18	14	—4
Registration	9	10	+1	Police	268	261	—7
				Political	2	24	+22
				Education	3,18	3,18	..
				Medical	2,23	3,11	+88
				Public Health	4,06	1,11	—2,95
				Agriculture	4	13	+9
				Miscellaneous Departments	1	1	..
				Pension Contribution	80	77	—3
				Commuted Value of Pensions	..	1	+1
				Reserve of Officers	11	6	—5
				Civil Works	3	..	—3
				Share of cost of Residency establishment	74	99	+37
				Payment to Mysore Darbar	..	2,46	+2,46
Total	17,95	15,62	—2,33		15,39	16,19	92
				Excess of Revenue over Expenditure	2,56	—57	—3,13

9. No comments appear to be necessary.

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